

**CARIBBEAN ACTUARIAL ASSOCIATION**



***Caribbean Actuarial Association***

***Glossary of Defined Terms Used in  
Actuarial Standards of Practice***

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Glossary of Defined Terms Used in CAA Actuarial Practice Standards

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**Glossary of Defined Terms Used in APSs**

This glossary is the single repository of all defined terms used in the Actuarial Practice Standards (APSs). It is not an APS and has no authority of its own. Any defined term used in an APS takes the authority of that APS or adaptation. Defined terms are indicated in APSs - in blue text with a dotted blue underline (e.g., [defined term](#)) which is also a hyperlink to the definition in this glossary.

**NOTE:** Hyperlinks to the Glossary will be finalized by the Secretariat before the approved APSs and glossary are published on the CAA website.

1. **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 an APS or the applicable professional standards of practice.
2. **Actuarial Services** – Services based upon actuarial considerations provided to [intended users](#) that may include the rendering of advice, recommendations, findings, or opinions.
3. **Actuary** – A person who meets the definition of an Actuary in the Caribbean Actuarial Association’s Code of Conduct or, by reason of his or her responsibility for actuarial work, is bound by the Code of Conduct to take account of a relevant APS issued by the Caribbean Actuarial Association.
4. **Adoption Date** – The date on which this APS was adopted as a final document by the CAA Members.
5. **Communication** – Any statement (including oral statements) issued or made by an [actuary](#) with respect to [actuarial services](#).
6. **Data** – Facts often collected from records, experience, or observations. Data are usually quantitative but may be qualitative. Examples of data include membership or policyholder details, claims details, asset and investment details, operating expenses, benefit definitions, and policy terms and conditions. Assumptions are not data, but data are commonly used in the development of actuarial assumptions.
7. **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.
8. **Financial Analysis** – Any formal actuarial analysis. What constitutes a formal actuarial analysis is a matter for the actuary’s judgment but might include work required by [law](#) and work requested by the [principal](#) to inform decisions. A financial analysis might include but is not limited to:
  - a. Determination of discounted point in time values;
  - b. Projection of cash flows and associated fund values; and

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- c. Determination of future contribution rate(s).
- 9. CAA** – The Caribbean Actuarial Association.
- 10. Intended User** – Any legal or natural person (usually including the [principal](#)) whom the [actuary](#) intends at the time the [actuary](#) performs [actuarial services](#) to use the [report](#).
- 11. Law** – Applicable acts, statutes, regulations or any other binding authority (such as accounting standards and any regulatory guidance that is effectively binding).
- 12. Member** – A person who meets the definition of a Member in the Caribbean Actuarial Association’s Code of Conduct or, by reason of his or her responsibility for actuarial work, is bound by the Code of Conduct to take account of a relevant APS issued by the Caribbean Actuarial Association.
- 13. Model** - A simplified representation of relationships among organizations or events using statistical, financial, economic, or mathematical concepts. A model has a specification, uses assumptions, data, and methodologies to produce results that are intended to provide useful information on that system.
- 14. Model Governance** – The application of a set of procedures and an organizational structure designed so that [intended users](#) can place their confidence in the results of the [model](#).
- 15. Model Risk** – The risk that, due to deficiency in the [model](#) or in its use, an [intended user](#) of the results of the [model](#) will draw an incorrect conclusion from those results.
- 16. Opinion** – An opinion expressed by an [actuary](#) and intended by that [actuary](#) to be relied upon by the [intended users](#).
- 17. Principal** – The party who engages the provider of [actuarial services](#). The [principal](#) will usually be the client or the employer of the [actuary](#).
- 18. Professional Judgment** – The judgment of the [actuary](#) based on actuarial training and experience.
- 19. Report** – The [actuary](#)’s [communication\(s\)](#) presenting some or all output of [actuarial services](#) to an [intended user](#), including any results, advice, recommendations, findings and opinions in any recorded form, including but not limited to paper, word processing or spreadsheet files, e-mail, website(s), slide presentations, or audio or video recordings.
- 20. Report Date** – The date on which the [actuary](#) issues a [report](#) to [intended users](#).
- 21. Social Security Program** – A program with all the following attributes regardless of how it is financed and administered:
- Coverage is of a defined segment, or all, of the population, often on a compulsory or automatic basis;
  - Benefits are provided to, or on behalf of, individuals;
  - The program, including benefits and financing method, is prescribed by [law](#);
  - The program is not financed through private insurance;

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- e. Program benefits are principally payable or delivered upon old age, retirement, death, disability, and survivorship, and the following benefits (if provided) are only ancillary to the principal benefit(s):
  - i. Unemployment benefits;
  - ii. Medical expenses;
  - iii. Benefits provided due to work-related injuries, work-related death or occupational diseases;
  - iv. Short term social assistance benefits (e.g. food stamps);
  - v. Benefits provided for disaster relief (e.g. insurance, or recovery funding, for flood, drought, hurricane/typhoon, earthquake/tsunami); and
  - vi. Financial insurance or financial guarantees (e.g., for loans, bank deposits, pension payments, financial securities, insurance payments from insolvent insurers).

**22. SSP – [Social Security Program](#)**

**23. Subsequent Event** – An event of which the [actuary](#) becomes aware after the [valuation date](#) (or date to which the [actuarial services](#) refer) but before the [actuary's communication](#) on the results of these [actuarial services](#) is delivered.

**24. Valuation Date** – The effective date of the analysis by the [actuary](#). It usually precedes the [report date](#).

**25. Work** – All actuarial activities performed by an [actuary](#) 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 the results, use of other persons' work, formulation of opinion and advice, documentation, reporting, and all other [communication](#).