

Title of Exposure Draft:

Comment Deadline: [Month, Day, Year]

Instructions: Please review the exposure draft, and give the ASB the benefit of your recommendations by completing this comment template. Please fill out the tables within the section below, adding rows as necessary. Sample for completing the template provided at the following link: <http://www.actuarialstandardsboard.org/email/2020/ASB-Comment-Template-Sample.docx>

Each completed comment template received by the comment deadline will receive consideration by the drafting committee and the ASB. The ASB accepts comments by email. Please send to comments@actuary.org and include the phrase 'ASB COMMENTS' in the subject line. Please note: Any email not containing this exact phrase in the subject line will be deleted by our system's spam filter.

The ASB posts all signed comments received to its website to encourage transparency and dialogue. Comments received after the deadline may not be considered. Anonymous comments will not be considered by the ASB nor posted to the website. Comments will be posted in the order that they are received. The ASB disclaims any responsibility for the content of the comments, which are solely the responsibility of those who submit them.

I. Identification:

Name of Commentator / Company
David A. Quinn, FSA, MAAA / Mercer

II. ASB Questions (If Any). Responses to any transmittal memorandum questions should be entered below.

Question No.	Commentator Response
1.	It seems so. A report is a persistent form of actuarial communication with conclusions. An example or two in the ASOP would still be enlightening.
2.	The majority of the ASOP applies to reports.

III. Specific Recommendations:

Section # (e.g. 3.2.a)	Commentator Recommendation (Please provide recommended wording for any suggested changes)	Commentator Rationale (Support for the recommendation)
2.6	"...data <i>and</i> other..."	2.6 Information Date. This is a welcomed addition. The definition says "...data or other...," but it would help to have it say "...data <i>and</i> other..." I've read other actuaries' disclosures, where they don't specify the incurred date range, when the data was pulled, or the date range in the time series data used to train a model. I'm worried the "or" would let an actuary give a general knowledge cutoff date but no data specifics and still meet this ASOP.
3.4	"...needs of the intended users. For example, including both relative and absolute measures, or also using distributions, ranges, or intervals to communicate actuarial conclusions."	3.4 Uncertainty or Risk. This section is like its 2010 version. An idea for this section, or Risk of Misuse, is twofold (1) Encouraging the actuary to consider reporting a value in absolute and relative terms together. For example, the "consideration X increased costs \$Y (Z% of the rate)." (2) Risk is supposed to be actuaries' wheelhouse, and risk is often in the volatility of statistics and forecasts. However, it is infrequent that I see ranges or distributions used to describe actuarial conclusions. Instead, you get point estimates, and the actuary omits the volatility—where the risk lives! This

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		section may be a good spot to encourage using distributions, ranges, or intervals to communicate uncertainty or risk explicitly or give a definition example to prime the actuary's imagination on what this section could look like in practice.
4.1.i	"i. a written or mathematical description of the methods, procedures..."	4.1.i The explicit call to "models" is a welcomed addition. My concern is actuaries will see the word "description" and think of only prose to describe these components. A consideration is to say, "a written or mathematical description." Many methods, procedures, assumptions, or models can be unambiguously described mathematically versus with the pitfall of words.

IV. General Recommendations (If Any):

Commentator Recommendation (Identify relevant sections when possible)	Commentator Rationale (Support for the recommendation)
2.9 Comment, no recommendation	2.9 Subsequent Events. This is a welcomed addition. The explicit criteria and the tie-in to the Information Date are nice.
3.3 Comment, no recommendation	3.3 Risk of Misuse. This is a welcomed addition. Most actuaries probably do this because of Precept 8 of the Code, but I also like it as part of ASOP 41.
3.6 Comment, no recommendation	3.6 Actuarial Report. The "or will be issued" flexibility is a welcomed addition.

V. Signature:

Commentator Signature	Date
David A. Quinn, FSA, MAAA	January 14, 2025