

Title of Exposure Draft: Expense Provisions for Future Cost Estimates for Prospective Property/Casualty Risk Transfer and Risk Retention

Comment Deadline: May 31, 2022

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
Pinnacle Actuarial Resources

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

Question No.	Commentator Response
None	

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)
1.2	If the actuary determines that the guidance in this ASOP conflicts with ASOP No. 53 or another ASOP, this ASOP governs.	Original sentence applies to ASOP 53 or cross-practice ASOP. It is not clear if that includes other P/C ASOPs or just cross-practice ASOPs.
2.8	Remove "certain types of single parent captives" or replace with one example.	Certain types of single parent captives is too vague of an example.
3.2	"For expenses that do not vary in direct proportion to premium, the actuary should consider developing expense provisions on a basis..."	Moving "do not vary in direct proportion" to the front will make it more clear.
3.6	Add "to the extent they were not included in previous rates" to the end of the paragraph.	Clarifies that we do not want to double charge by adding on to rates if the prior rate also had a provision included.
4.1a	"...individual expense items and amounts included..."	Unclear if referring to list of categories included or should expense provision amounts for each category be included.

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IV. General Recommendations (If Any):

Commentator Recommendation (Identify relevant sections when possible)	Commentator Rationale (Support for the recommendation)

V. Signature:

Commentator Signature	Date