



December 31, 2008

ASOP No. 31 Repeal
Actuarial Standards Board
1100 Seventeenth Street, NW, 7th Floor
Washington, DC 20036-4601

To Whom It May Concern:

On behalf of the American Academy of Actuaries'¹ Health Practice Council (HPC), I appreciate the opportunity to comment on the Actuarial Standards Board's (ASB) exposure draft of the proposed repeal of ASOP 31, *Documentation in Health Benefit Plan Ratemaking*. Members of the council understand that the ASB believes that the guidance in ASOP 31 is addressed in ASOP 41 and other ASOPs.

The HPC agrees that general guidance with regard to documentation of the health actuary's work for ratemaking is likely addressed in other ASOPs. However, ASOP 31 is used by many health actuaries not only as documentation guidance but also as a valuable checklist of elements and aspects that should be considered and addressed in ratemaking for health benefit plans. We believe that having such reference is especially important for actuaries working on heavily regulated products. As such, the repeal of ASOP 31 will create a void in the actuarial guidance for health benefit plan ratemaking.

Should the ASB finalize its repeal of ASOP 31, the HPC strongly recommends the creation of another reference for this checklist of ratemaking elements and considerations. Such reference could take the form of a new health benefit ratemaking/rating ASOP or, alternatively, a practice note. If a new ASOP or practice note is developed, the HPC also recommends an update in terminology from "ratemaking" to "pricing."

Thank you in advance for your consideration of our comments on the repeal of ASOP 31. Please contact Heather Jerbi, the Academy's senior health policy analyst (202-223-8196; Jerbi@actuary.org), if you have any questions or would like more information.

Sincerely,

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Vice President, Health Practice Council
American Academy of Actuaries

¹ The American Academy of Actuaries is a professional association with over 16,000 members, whose mission is to assist public policymakers by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.