

Comment #2: October 7, 2008

From: Michael Gallagher [<mailto:mgallagh@Manning-Napier.com>]

Sent: Tuesday, October 07, 2008 10:18 AM

To: ASB Comments

Subject: ASB COMMENTS: ASOP No. 41, Actuarial

§ 3.4 Reconciliation of Material Differences: I can envision situations where a later oral communication could be made in an environment that is sufficiently documented so that a follow up in writing could be seen as superfluous (e.g., a deposition or recorded trial). Maybe the section could be amended to recognize this situation by adding something like, "Such follow-up may be unnecessary if, in the judgment of the actuary, the oral communication is itself sufficiently documented as to render any written follow-up superfluous (e.g., a deposition, trial transcript, etc.)."?

Otherwise, for the specific questions posed:

1. Do you believe it appropriate to require the actuary to be responsible for assumptions and methods used within an actuarial communication unless otherwise disclosed? Do you believe that this standard is the appropriate place to do that? Does this draft make this intent sufficiently clear? Yes, yes, and yes

2. This ASOP is titled "Actuarial Communications" even though it also addresses documentation. Does this create any confusion? If so, what would a better title be? I think that documentation is a necessary part of any communication. I do not believe that addressing it here causes any confusion, and I don't think that the title needs to be changed.

3. Does this draft make it sufficiently clear when the actuary should issue an actuarial report disclosing methods, procedures, assumptions, and data as opposed to issuing another form of actuarial communication that does not make these disclosures? In some situations, not making the disclosures could be in violation of Precept 8 of "the Code". It would be impossible to describe every situation where disclosure could be necessary or unnecessary, or the extent of the disclosure in those situations where more or less could do just as good of a job. I think that this ASOP does a pretty good job of describing general guidelines without being so specific as to be unduly restrictive or wasteful of resources.

4. Are the added disclosure requirements in cases involving deviation clear and appropriate? I think so, yes, although the repeat statement of some of the provisions in each subsection seems a little redundant. Is there any way of reorganizing the section to avoid having to repeat subsections, or would this unduly complicate the *Deviation* document? (as if it weren't complicated enough...)

Michael E. Gallagher, A.S.A., M.A.A.A.
Risk Management Group
Manning & Napier Advisors, Inc.
290 Woodcliff Drive
Fairport, NY 14450
mgallagh@manning-napier.com
(585) 325-6880 X595