

**Comment #10 – 2/9/10 – 11:12 a.m.**

I have reviewed ASOP 41 - Second Exposure draft, and am submitting the following comments.

0. Actuarial Communication - The definition relies on the term "actuarial services", but actuarial services is not clearly defined. This is a term that each actuary probably has their own definition of what is an actuarial service, but these definitions may not be the same across all actuaries. Should actuarial services be clearly defined?

1. I believe the definition of Actuarial Report is clear, concise, and appropriate.

2. Documentation - This is my major concern with the standard.

- 3.1.1 through 3.1.3 seem like standard good business sense. Is this necessary in the professional ASOP?
- 3.2 The second paragraph states that the findings, methods, procedures etc should be described sufficiently so that another actuary could make an objective appraisal. The third paragraph states that the report should consider the needs of the intended users. If the intended users are not actuaries, it is reasonable that the intended users do not need nor do they want the description of methods, procedures, etc sufficient enough such that another actuary could make an objective appraisal of the findings. In fact having that much detail may confuse and make the report less effective for the intended (non-actuarial) audience.
- 4.1.3 Disclosures - This is an extensive list of disclosures that should be included on every report according to the standard. 4.2 and 4.3 offer additional disclosures which should be stated. My concern is that any report provided by the actuary will be so laden down by disclosures that clear and concise communications will be difficult. Actuaries already seem to have a reputation for complex and confusing communications; will this standard make communications to non-actuaries even worse?
- 4.2 and 4.3 require disclosure about certain assumptions and methods. Should there be a definition of which assumptions/methods are considered actuarial and should be included in this disclosure? On a single valuation run or projection, the list of assumptions/methods is very extensive.
- If there are standard/regular reports which are produced (ie a monthly valuation run), should each report include all the documentation, or can the report reference a set of standard documentation that is available, but not sent with each report?

3. I believe there is reasonable emphasis on the need of the intended users, but that the requirements may go far beyond the need of the intended user making the report less effective communication for that intended user.

My general thought on this ASOP is that it is very good and appropriate for actuarial work which results in a major report for a client/user. My concern is that the requirements will make actuarial communications in a dynamic interactive insurance

company very cumbersome, difficult, and time consuming. I believe the documentation required is more focused on a CYA aspect of professionalism than the dynamics of a practical work environment where interactions occur on a regular and less formal basis.

Sincerely,

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