

**Comment #23 – 3/26/10 – 4:24 p.m.**

These comments are in response to **ASOP No. 41 - Second Exposure Draft - December 2009**.

I guess at a very basic level the SOP needs to be more clear about the type of work subject to the standard. As an insurance company actuary, I read this as applying to consulting actuaries. Obviously, the authors do not interpret it this way.

The word "principal" (see 3.1.3 and 3.2) in the context of those sentences does not seem like something that would apply to a company actuary; or, at the very least, would apply only in limited circumstances.

3.1.3

. . . . "mutually satisfactory to the principal and actuary." This just screams client and consulting actuary.

3.2

. . . . "agreed to by the actuary and the principal." Again, I work in a capacity where I communicate primarily with Product personnel, and I would respectfully say that people in these positions who are receiving communications from an in-house actuary are, generally speaking, not "agreeing" to anything, whereas I could certainly understand why a client might be seeking to "agree" to the date of delivery for an actuarial report.

I would be curious to learn the background - company vs. consulting - of the person whose suggestion was granted whereby the term "parties" was replaced with "principal and actuary." My guess . . . consulting.

Common sense needs to rule the day. I have to think that feedback from high-level actuaries working at places like Travelers and Liberty Mutual should be required given that these companies employ so many actuaries and the potential for increased paperwork is substantial. While I realize that two drafts have been provided to members over a nearly 2-year period . . . . meaning there is no intent to sneak this by members at 3:00 a.m in the morning . . . . I have to believe (given the limited number of responses to the 2008 draft) that many actuaries are not aware of the potential ramifications of this document. Companies employ actuaries to produce work product, ideas, etc . . and I cannot believe they would find any significant reduction in productivity (as a result of these standards) acceptable. In consulting, clients are paying for a service, and, I suppose, can even sue for malpractice. This makes actuarial reports somewhat important. Companies have their own employees so the need for "actuarial reports" does not seem to rise to the same level.

My final point is that I find it fascinating that there are so many comments related to more abstract parts of the document when, I would argue, the basic question that most people, first and foremost, need to know is in what specific circumstances am I subject to producing an actuarial report.

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