

Comment #26 – 3/30/10 – 4:55 p.m.

Thank you for the opportunity to comment on this exposure draft. These comments are our own, and do not necessarily represent the views of our employer.

Many good comments have already been presented regarding this draft, so we will not repeat the many supporting arguments with which we agree.

We would like to join the chorus of those who have expressed concern about the apparent proposed expansion of the requirement to complete actuarial reports to support all actuarial documents (and some oral communications), including internal communications. Since the ASOP is intended to establish minimum requirements, as opposed to describing best practices, we believe the actuary should, in most cases, be allowed to use judgment to determine whether an actuarial report is appropriate in connection with various types of internal communications. As currently written, we believe the proposed standard imposes an unjustifiable burden on actuaries and their employers.

Along the same lines, we believe Sections 3.3.4 and 4.3 go beyond an appropriate minimum standard to require, in each and every case, an actuary to opine on the reasonableness of an actuarial assumption or method provided by another party and to provide a reason for the other party doing so. While, in many cases the actuary will find it appropriate to give an opinion on the reasonableness of such an assumption or method, it will not always be appropriate, and therefore should not be a requirement.

With regard to Section 3.4 Reconciliation of Material Differences, we agree with Towers Watson that the standard should call for an explanation without requiring a reconciliation.

Kathryn Fry Ludington, FSA, MAAA

Donald M. Walker, ASA, MAAA