

**Comment #28 – 3/31/10 – 10:02 a.m.**

Dear ASB,

The purpose of this e-mail is to comment on ASOP No. 41 - Second Exposure Draft - Actuarial Communications.

Item 3.4 Reconciliation of Material Differences

This draft states: "If a later actuarial communication produced by the same actuary for the same assignment includes materially different results or expresses a different opinion from the former communication, the actuary should reconcile the differences. The later communication should make it clear that the earlier results or opinion are no longer valid and why they have changed. If the later communication is oral, the actuary should follow-up with a document that clarifies the reason for the changes."

Comment a: If one is providing an update to a prior assignment that includes additional loss data, either because there is an additional exposure period or because the losses are valued at a later period with no additional exposure, is that considered "the same assignment?" I would think that it is not the same assignment but clarification of the definition of "the same assignment" would be useful.

Comment b: In the case of a later actuarial communication being produced for the same assignment, what exactly does reconcile mean? For example, if in Comment a, it is determined to be the same assignment:

- 1) would the introduction of a new method of estimating ultimate losses necessitate a redoing of the prior review with the new method?
- 2) would a change in the weights assigned to alternative methods necessitate a redoing of the prior review with the current weights?

Comment c: Should the phrase "materially different results or expresses a different opinion" be changed to "materially different results or expresses a materially different opinion?" This is based on my interpretation that a result expressed in the course of performing actuarial services and based on actuarial considerations would be an opinion.

Thank you for your consideration,

Mike

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Michael P. Blivess, FCAS, MAAA | Principal & Consulting Actuary |