

COMMENT #3: October 23, 2008

From: Joseph Penick [<mailto:jpenick@curciowebb.com>]

Sent: Thursday, October 23, 2008 4:03 PM

To: ASB Comments

Subject: ASB COMMENTS -- 10/13/08 Request Re: ASOPs & ASB Procedures

I'm guessing a disproportionate proportion of comments you receive on this issue will be from individuals seeking change – and that most actuaries who are satisfied with the status quo won't take time out of their busy schedules to respond. I'm also guessing, from your wording of Question #5, that you're anticipating the same thing. Nevertheless, I'm writing largely in support of the status quo.

My responses, to all of the questions posed, are as follows:

1. Yes, the guidance level is appropriate. If, after your deliberations, you decide that the nature of the guidance should be changed, the amount (volume) of guidance should nevertheless not be increased; most of us are very busy and without photographic memories, so keeping up with even more guidance would be an unwelcome chore.
2. The approach is appropriate, the room for professional judgment is appreciated (and necessary!), and the ASOPs should most definitely not be more prescriptive. The legal environment in which we work is already prescriptive/restrictive enough.
3. Yes, the ASOPs are generally clear and unambiguous. To make them more so would require expanding them which, as mentioned above, is undesirable.
4. Yes, the comment periods and availability of drafts are adequate (good). Allowing more time would only serve to increase the time the drafts sit at the bottom of most actuaries' to-do piles.
5. Perhaps shortening the ASOPs (and therefore the drafts as well) would increase actuaries' responsiveness. Also, requests for comments such as this one, where specific questions are posed for consideration, might enjoy a better response if circulated as an e-questionnaire.
6. Yes. I've submitted comments in the past, and have felt my

- comments were addressed appropriately.
7. Yes. I am generally comfortable with my understanding of the ASOPs' provisions regarding reliance (and related disclosure requirements).
 8. On the one hand, general guidance can't hurt. But if actuarial consensus hasn't been reached, a) prescriptive guidance is inadvisable, and b) perhaps ASOPs aren't the appropriate place for general guidance. Furthermore, increasing the amount (volume) of guidance is undesirable (as mentioned above).
 9. Yes. ASOPs are necessary, particularly due to the complicated nature of the subject matter. Without the ASOPs' guidance and protection, legal disputes might be won by the side with better debating – rather than actuarial – skills.
 10. As mentioned above, the amount (volume) of guidance should not be increased; most of us are very busy and without photographic memories, so keeping up with even more guidance would be an unwelcome chore.

These opinions are my own and not necessarily those of my employer.
Thank you in advance for your thoughtful consideration of them.

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