

COMMENT 4: DECEMBER 17, 2008

December 17, 2008

To: comments@actuary.org

Re: Request for Comments on Actuarial Standard of Practice Content and ASB Procedure – October 13, 2008

This letter provides comments regarding the above-mentioned request. These comments are my personal opinion and do not reflect the views of my employer or the views of any actuarial organization.

Current ASOPs

In my opinion, the ASOPs can be read and understood by an actuary with the appropriate background. I would suggest that the exposure draft comment period have a minimum exposure time of 60 days, as the current minimum of 30 days appears short when considering other activities such as priority work assignments or vacations. The process of requesting comments seems reasonable and efficient.

I would ask the ASB to define what they meant by “best practice”. Is “best practice” an optimum result or a practice which is most appropriate under the circumstances? For example, the best result to an assignment may be achieved through a large scale project. However, resources are limited and the principal is willing to accept a simplified estimate. In this example, is best practice obtaining the best result, the simplified estimate, or something else?

In my opinion, the ASB’s responses to comments can be minimal and offer little insight or guidance. For example, the ASB’s reply to a comment may be a very brief single sentence, such as noting that the ASB disagrees with the comment. While concise, I wonder if this brevity may be discouraging to those writing comment letters. I would suggest that the ASB provide more clarity when responding to comments.

Other suggestions

How are new standards chosen by the ASB? Would it be reasonable to ask the actuarial community for comments regarding new standards of practice or changes to current standards?

I applaud this initiative to solicit feedback from the actuarial community. I would suggest that departing Committee and ASB members are another source of feedback regarding content and procedure.

Closing

Thanks for considering my comments.

Lew Nathan, FSA, MAAA