

Comment #5 - 1/11/12 – 12:05 p.m.

Regarding proposed changes to ASOP 38, I feel the following section raises the bar way beyond current practice or what is practical.

We would be using a model because we are not experts, so I don't understand how we could be reasonably familiar with components of catastrophe models such as meteorological, vulnerability, seismic, and geological components.

I do not understand why the Casualty Actuarial community is singled out for needing such a personal review and familiarity. I'm sure there are such models in the Life and Pension fields where this is not being required

3.3 Actuaries Reviewing Models Outside Their Expertise—When the actuary personally reviews the model to be used in the actuarial work product, the actuary should be reasonably familiar with the basic operation of the model and consider each of the following:

3.3.1 Model Components—A model may include several components. For example, hurricane models may include meteorological and vulnerability components; earthquake models might include seismological and geological components. The actuary should be reasonably familiar with the major components of the model and how such components interrelate or have interdependence within the model.

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