



Comment #6 - 7/12/12 - 9:51 a.m.

Sent via e-mail to comments@actuary.org

ASOP No. 6 Revision - Exposure Draft
Actuarial Standards Board
1850 M Street, Suite 300
Washington, DC 20036

July 12, 2012

RE Proposed Revision of ASOP No. 6 - Measuring Retiree Group Benefits
and Determining Retiree Group Benefits Plan Cost or Contributions

To members of the Actuarial Standard Board:

I am writing on behalf of the Principal Financial Group® (the Principal®) with respect to the Exposure Draft for the Proposed Revision to ASOP No. 6. The Request for Comments asks the reader to consider certain areas of the Exposure Draft in particular, among them the following:

Question 3: Is the revised guidance regarding the use of the "community-rated concept" appropriate?

We do agree that there is an implicit subsidy for the non-Medicare retirees. The actuary should reflect the full age-specific cost. We feel that stronger wording or direction should be added to these sections to be more explicit. To make clearer that the pre-Medicare retirees subsidy has to be valued as part of the Plans obligation.

We thank the ASB for the opportunity to comment on the exposure draft.

Sincerely,

A handwritten signature in blue ink that reads "David A. Stocklas".

David A. Stocklas EA, MAAA
Consulting Actuary
Principal Financial Group
Pittsburgh, PA 15222
412-394-9380
Stocklas.Dave@principal.com