

**Comment #11 – 8/30/13 – 1:28 p.m.**

Here are my comments and questions regarding the Modeling Exposure Draft.

- I like the use of the bold font for identifying terms that are defined in the document.
- Under the definition of **granularity**, it states that a higher degree of granularity ... “may also require greater effort and expense to design, maintain, assemble and run.” I believe that it may also be harder to obtain credible assumptions if the granularity of the model is too fine.
- Is the definition of **parameter** intended to include settings in a **model** (e.g. currate versus continuous)?
- In 3.1.1, it states that “the resources committed and controls the actuary applies to the **model** should relate to the degree of reliance on **model** results.” What should one do if an Actuary knows that a model is not very reliable, but then leaves the company before documenting this fact?
- In 3.2.4.d it says that in preparing documentation, an Actuary should do the following – “consider documenting potential limitations.” On one hand, I believe “should” = “must.” On the other hand, the way in which this reads is effectively “should consider.” I would suggest that this is something that must be done so that future users of the model (after the Actuary has moved on) know the limitations of the model.
- In 3.2.7.a.3 it says that the Actuary “should consider” “if relevant and credible experience is not available, using professional judgment in modifying available sources of information.” I suggest that the Actuary “should” document that professional judgment was used to set this assumption in this circumstance.
- Under 3.3.1.c, Peer Review, should they have to document whether or not a model has been peer reviewed, and if one was completed, what type of peer review was done?
- Under 3.6, documentation, what if time doesn't permit documentation prior to an Actuary leaving a company? If one documents work on an ongoing basis, then this would not be a problem; however, often documentation occurs well after the model is actually being used.

Please let me know if you have any questions.

Thanks,  
Andy



**Andrew J. Rarus**

Life Actuary | State of Connecticut Insurance Department