

Comment #10 – 8/10/13 – 2:48 p.m.

Greetings,

I would like to offer two comments for discussion on this proposed ASOP.

1. An actuary's determination of either "material" or "non-material" is in the professional judgment of that actuary. However, it would be prudent to recommend that, "the actuary should consider making a positive statement wherever 'non-materiality' is determined." The absence of such a positive statement causes more questions from regulators, management, and others. The actuaries own work documentation can define the standard of such materiality used by the actuary.

I believe that deviation from an ASOP should still be a part of the actuary's documentation and disclosed. How else do we clue in an actuary reviewing the work that there was a difference, albeit miniscule? The Actuarial Communication or report should still state it positively as a non-material difference from an ASOP.

2. Consistent with section 3.2.2, we can encourage actuaries to consider other solutions and methods to the problem at hand (not just reusing the one that may have been used historically). Please consider the addition of something like the following. "When possible, the actuary should consider alternative or new methods and modeling solutions prior to selecting the final model for use."

Respectfully submitted,

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