The following are comments on the Modeling Exposure Draft from Ryan Fleming, Jennifer Rathmell, Keith Schardt and myself:

- **Section 1 Purpose, Scope...**
  - 1.2 **Scope** – In addition to the level of reliance on the model by the user and the potential financial effect, we believe the complexity of a model should be taken into consideration when determining whether the guidance described in the ASOP is appropriate or practical.

- **Section 2 Definitions**
  - 2.1 **Assumptions** – The definition should indicate that assumptions can be prescribed in addition to being based on professional judgment.
  - Peer review should be defined.

- **Section 3 Analysis of Issues and Recommended Practice**
  - Section 3.2.1 **Designing, Building, or Developing the Model for the Intended Application** – This section could be expanded to cover modifying the model. This change would allow for section 3.2.3 to be eliminated.
  - Section 3.3.1.a.4 – We believe this section could be eliminated because examining the potential for model risk and undertaking steps to mitigate it is already covered in section 3.3.2 **Appropriate Governance and Controls**.
  - Section 3.3.1.c **Peer Review** – We believe the actuary should consider a peer review of the reasonableness of model inputs in addition to considering a peer review of model construction and the reasonableness of model results.
  - Section 3.3.2 **Appropriate Governance and Controls** – We believe this section should provide more guidance by including a list of things for the actuary to consider such as, but not limited to, implementing a change management process and restricting access to model inputs, model code and calculations, and model outputs. In addition we believe the detailed example involving the ability of the model to be able to reproduce results should be removed because it is overly specific.
  - Section 3.4.3 **Description of Judgment** – We recommend adding the following to the end of the first sentence in this section, “and to the extent margin was included in the assumptions.”

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