



ACTUARIAL STANDARDS BOARD

**Actuarial Standard
of Practice
No. 41**

Actuarial Communications

Supersedes Interpretative Opinion No. 3

**Developed by the
General Committee of the
Actuarial Standards Board**

**Adopted by the
Actuarial Standards Board
March 2002**

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March 2002

TO: Members of Actuarial Organizations Governed by the Standards of Practice of the Actuarial Standards Board and Other Persons Interested in Actuarial Communications

FROM: Actuarial Standards Board (ASB)

SUBJ: Actuarial Standard of Practice (ASOP) No. 41

This booklet contains the final version of ASOP No. 41, *Actuarial Communications*.

Background

This ASOP supersedes Interpretative Opinion No. 3, *Professional Communications of Actuaries*. Two exposure drafts of this actuarial standard of practice were presented.

First Exposure Draft

The first exposure draft was issued in November 1998, with a comment deadline of March 1, 1999 (this exposure draft is available from the ASB office). The General Committee of the ASB carefully considered the twenty-three comment letters received and made certain changes.

Coordination with the *Code of Professional Conduct*

At the same time that the General Committee of the ASB was reviewing the comment letters received on the first exposure draft, the Joint Committee on the Code of Professional Conduct was developing proposed revisions to the *Code of Professional Conduct*, including requirements with respect to actuarial communications. The second exposure draft of this proposed ASOP was deliberately delayed for over a year until the revised *Code of Professional Conduct* was adopted. It is very important that any standard of practice not conflict with the *Code of Professional Conduct* (which applies to practice in all countries, whereas actuarial standards of practice promulgated by the ASB are specific to practice in the United States). To prevent inconsistency between this proposed ASOP and the newly adopted *Code of Professional Conduct*, representatives of the General Committee and of the Joint Committee on the Code of Professional Conduct met in January 2000 to discuss the proposed ASOP and what was then the proposed new *Code of Professional Conduct*.

The new *Code of Professional Conduct* was adopted by the five U.S.-based organizations representing actuaries, effective January 1, 2001, enabling the General Committee to proceed

with the second exposure draft.

Second Exposure Draft

The second exposure draft of this ASOP was issued in March 2001, with a comment deadline of September 15, 2001. Eighteen comment letters were received. Many commentators agreed with the changes made to the first draft. Most of the comments made with respect to the second draft dealt with language details. The General Committee carefully considered all comments received and made clarifying changes to the language in several sections. For a summary of the substantive issues contained in the second exposure draft comment letters and the committee's responses, please see appendix 2.

The most significant changes from the second exposure draft were as follows:

1. Earlier iterations of the *Code of Professional Conduct* and the proposed standard made reference to "direct" and "indirect users." The new *Code of Professional Conduct* uses only the term "principal." The committee revised the proposed standard to be consistent with the new *Code of Professional Conduct's* terminology, and added definitions of "intended audience" and "other user."
2. Several commentators suggested the standard should apply to oral as well as written communications, while others felt that oral communications should be excluded. To conform with the new *Code of Professional Conduct*, the committee expanded the scope of the proposed standard to apply to oral communications as well as written ones. Further, the committee expanded the standard to provide additional guidance for specific types of actuarial communications, including the requirement that significant actuarial findings be in written or electronic form.

The General Committee thanks everyone who took the time to contribute the particularly helpful comments and suggestions on both exposure drafts.

The General Committee would also like to thank former members Donald F. Behan, Robert V. Deutsch, Bruce D. Moore, Patricia L. Scahill, Lee R. Steeneck, Robert W. Stein and Paul B. Zeisler for their contributions to this standard.

The ASB voted in March 2002 to adopt this standard.

General Committee of the ASB

William C. Cutlip, Chairperson

William Carroll

Janet M. Carstens

Ethan E. Kra

Donna C. Novak

William H. Odell

Robert A. Potter

Actuarial Standards Board

William C. Koenig, Chairperson

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Alan J. Stonewall

Karen F. Terry

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Robert E. Wilcox

ACTUARIAL STANDARD OF PRACTICE NO. 41

ACTUARIAL COMMUNICATIONS

(Supersedes Interpretative Opinion No. 3)

STANDARD OF PRACTICE

Section 1. Purpose, Scope, Cross References, and Effective Date

- 1.1 Purpose—This actuarial standard of practice (ASOP) provides guidance to actuaries with respect to written, electronic, or oral actuarial communications. It supersedes Interpretative Opinion No. 3, *Professional Communications of Actuaries* (adopted 1970, revised 1981).
- 1.2 Scope—This standard applies to actuaries issuing actuarial communications. However, when the actuary is providing testimony in a regulatory, judicial, or legislative environment, the actuary's ability to satisfy the requirements of this standard may be limited by the constraints of that forum. When providing testimony in such a forum, the guidance in this standard nevertheless applies to the actuary to the extent practicable in the particular circumstances.
- 1.3 Cross References—When this standard refers to the provisions of other documents, the reference includes the referenced documents as they may be amended or restated in the future, and any successor to them, by whatever name called. If any amended or restated document differs materially from the originally referenced document, the actuary should consider the guidance in this standard to the extent it is applicable and appropriate.
- 1.4 Effective Date—This standard will be effective for any actuarial communication dated or occurring on or after July 15, 2002.

Section 2. Definitions

The terms below are defined for use in this actuarial standard of practice.

- 2.1 Actuarial Communication—A written, electronic, or oral communication to a principal or member of the intended audience by an actuary with respect to actuarial services.
- 2.2 Actuarial Findings—The results of the actuary's work, i.e., the actuary's professional conclusions, recommendations, or opinions.
- 2.3 Actuarial Report—A written or electronic presentation prepared as a formal means of conveying the actuary's findings that records and communicates the actuary's methods, procedures, and assumptions. Unless so designated by the actuary, communications such as

the following are not actuarial reports:

- a. transcripts or summaries of an oral communication of actuarial findings;
 - b. internal communications, for example within a company, organization, firm, or government agency; and
 - c. communications, during the course of an assignment, among those providing actuarial services.
- 2.4 Actuarial Services—Services provided to a principal by one acting as an actuary. Such services include the rendering of advice, recommendations, findings, or opinions based upon actuarial considerations.
- 2.5 Intended Audience—The persons to whom the actuarial communication is directed and with whom the actuary, after discussion with the principal, intends to communicate. Unless otherwise specifically agreed, the principal is always a member of the intended audience. In addition, other persons or organizations, such as regulators, policyholders, plan participants, investors, or others, may be designated by the principal, with consent of the actuary, as members of the intended audience.
- 2.6 Other User—Any user of an actuarial communication who is not a principal or member of the intended audience.
- 2.7 Principal—The actuary’s client or employer. In situations where the actuary has both a client and an employer, as is common for consulting actuaries, the facts and circumstances will determine which is the principal. When the actuary is issuing actuarial communications directly to the external client, the client will generally be the principal. When the actuary is working in an internal capacity and someone other than the actuary is communicating the results of the actuary’s work to the client, for example, where such communication by others is primarily concerned with nonactuarial matters, the actuary’s employer will generally be the principal. In this latter case, any actuary who subsequently communicates to the client will be guided by this standard.

Section 3. Analysis of Issues and Recommended Practices

- 3.1 General Requirements for Actuarial Communications—The completion of a specific actuarial engagement or assignment typically requires significant and ongoing communications between the principal and the actuary regarding the following: the scope of the requested work; the methods, assumptions, data, and other information required to complete the work; and the development of the actuarial communication of the actuary’s work product. The requirements of this standard should be applied to the cumulative communications with respect to each specific engagement or assignment so that all of the

communications, taken together, satisfy this standard even though individual communications may not.

- 3.1.1 Principal and Scope of Engagement—The actuarial communication should, as appropriate, identify the principal(s) for whom the actuarial findings are made and should make clear the scope of the assignment, including any limitations or constraints.
- 3.1.2 Form and Content—The actuary should take appropriate steps to ensure that the form and content of the actuarial communication are clear and appropriate to the particular circumstances, taking into account the intended audience. To accomplish these actuarial communication objectives, the actuary should consider whether such actuarial communication should be made in an actuarial report. Factors to consider in making such a determination include the complexity of the actuarial engagement or assignment; the actuary’s perception of the significance of the actuarial findings; and relevant communication guidance in other ASOPs. Information included in previous actuarial communications that are available to the intended audience may be incorporated by reference, by the actuary, into an actuarial communication issued under this standard.
- 3.1.3 Timing of Communication—The actuary should issue an actuarial communication within a reasonable period following completion of the actuarial analysis underlying the engagement, assignment, or other work product, unless other arrangements, mutually satisfactory to the parties, have been made.
- 3.1.4 Identification of Responsible Actuary—The actuary issuing an actuarial communication should ensure that the actuarial communication clearly identifies the actuary as being responsible for it whenever that responsibility is not already apparent. When two or more actuaries jointly issue an actuarial communication, the communication should identify all responsible actuaries. The name of an organization with which each actuary is affiliated also may be included in the communication, but the actuary’s responsibilities are not affected by such identification.
- 3.1.5 Non-Independence—An actuary who is not financially and organizationally independent concerning any matter related to the subject of an actuarial communication should disclose in the actuarial communication any pertinent relationship that is not apparent. However, the disclosure is limited in accordance with Precept 6 of the *Code of Professional Conduct* to sources of material compensation that are known to or are reasonably ascertainable by the actuary.
- 3.1.6 Reliance on Other Sources—An actuary who makes an actuarial communication assumes responsibility for it except to the extent the actuary disclaims responsibility by stating reliance on other sources. Reliance on other sources means making use of

those sources without assuming responsibility therefor. An actuarial communication making use of any such reliance should define the extent of reliance, for example by stating whether or not checks as to reasonableness have been applied. An actuary may rely upon other sources for information except where limited or prohibited by applicable standards of practice or law or regulation.

- 3.1.7 Advocacy—When the actuary acts, or may appear to be acting, as advocate for a principal, the nature of that relationship, unless readily apparent, should be disclosed in the actuarial communication.
 - 3.1.8 Methods or Assumptions Prescribed by a Principal—If the actuary performs a service using methods or assumptions prescribed by a principal, the actuary should disclose the source of the prescribed methods or assumptions in the actuarial communication.
 - 3.1.9 Obligations Imposed by Law, Regulation, or Another Profession’s Requirements—When methods or assumptions are prescribed by law, regulation, or another profession’s requirements, the actuary should disclose that his or her work has been performed in compliance with such requirements unless this is apparent from the form and content of the communication.
- 3.2 Actuarial Communication Requirements within Other Applicable ASOPs—This general standard on actuarial communications establishes minimum requirements for all such communications. If other ASOPs contain communication requirements that are additional to or inconsistent with this standard, the requirements of such other ASOPs supersede the requirements of this ASOP. Any disclosures or additional communication requirements imposed by this standard that are not inconsistent with such ASOPs should be included in the actuarial communication.
- 3.3 Requirements for Specific Types of Actuarial Communications—The following sections give the actuary guidance regarding specific types of actuarial communications.
- 3.3.1 Oral Communications—The actuary’s oral communications should not conflict with the actuary’s written or electronic communications of related actuarial findings.
 - 3.3.2 Communication of Significant Actuarial Findings—Actuarial findings that the actuary considers to be significant should be in written or electronic form, and when appropriate, they should be incorporated into an actuarial report, unless otherwise agreed to by the principal and the actuary.
 - 3.3.3 Actuarial Report—In addition to the actuarial findings, an actuarial report should identify the data, assumptions, and methods used by the actuary with sufficient clarity that another actuary qualified in the same practice area could make an objective appraisal of the reasonableness of the actuary’s work as presented in the

actuary's report. To the extent the data, assumptions, and methods used have been described in a previous actuarial report that is available to the intended audience, the actuary may, if appropriate under the circumstances, incorporate this information by reference into the actuarial report.

- 3.4 Prescribed Actuarial Communications—Law, regulation, or another profession's standards may prescribe the form and content of a particular actuarial communication (such as a preprinted government form). In such situations, compliance with the applicable law, regulation, or standard, and with any practice-specific ASOP governing the actuarial services that are the subject of the actuarial communication shall be deemed in compliance with this standard.
- 3.5 Responsibilities to Other Users—The following sections give the actuary guidance regarding the use of actuarial communications by other users and the actuary's responsibility to such other users.
- 3.5.1 Use of Actuarial Communications by Others—An actuarial communication may be used in a way that may influence persons who are not part of the intended audience. The actuary should recognize the risks of misquotation, misinterpretation, or other misuse of such communication and should take reasonable steps to ensure that the actuarial communication is clear and presented fairly. To help prevent misuse, the actuary may include language in the actuarial communication, which may limit its distribution to other users, for example, by stating that it may only be provided to such parties in its entirety or only with the actuary's consent.
- 3.5.2 No Obligation to Communicate with Other Users—Nothing in this standard creates an obligation for the actuary to communicate with any person other than the intended audience.
- 3.6 Documentation—The actuary should create records and other appropriate documentation supporting an actuarial communication and, to the extent practicable, should take reasonable steps to ensure that this documentation will be retained for a reasonable period of time (and no less than the length of time necessary to comply with any statutory, regulatory, or other requirements). The actuary need not retain the documentation personally; for example, the actuary's employer may retain it. Such documentation should identify the data, assumptions, and methods used by the actuary with sufficient clarity that another actuary qualified in the same practice area could evaluate the reasonableness of the actuary's work. Unless the actuary has issued an actuarial report that reasonably satisfies the need for documentation, such documentation should also be available to the principal.

Section 4. Communications and Disclosures

- 4.1 Prescribed Statement of Actuarial Opinion—This ASOP does not require a prescribed statement of actuarial opinion (PSAO) as described in the *Qualification Standards for Prescribed Statements of Actuarial Opinion*, promulgated by the American Academy of Actuaries. However, law, regulation, or accounting requirements may also apply to an actuarial communication prepared under this standard, and as a result, such actuarial communication may be a PSAO.

- 4.2 Deviation from Standard—An actuary must be prepared to justify the use of any procedures that depart materially from those set forth in this standard. If a conflict exists between this standard and applicable law or regulation, compliance with applicable law or regulation is not considered to be a deviation from this standard.

Appendix 1

Background and Current Practices

Note: This appendix is provided for informational purposes, but is not part of the standard of practice.

Background

This standard is adapted from and supersedes Interpretative Opinion No. 3, *Professional Communications of Actuaries*, adopted by the American Academy of Actuaries in 1981. This standard conforms to the format adopted by the Actuarial Standards Board in May 1996 for all actuarial standards of practice, and while this standard generally follows Interpretative Opinion No. 3, it also expands upon, clarifies, and eliminates portions of that opinion. Additionally, this standard offers guidance to complement the requirements imposed by the recently revised *Code of Professional Conduct*. It is intended to help actuaries apply the *Code of Professional Conduct* when making professional communications, by written, electronic, or oral means, to clients, employers, regulators, policyholders, pension plan participants, investors, and other users of actuarial services.

Current Practices

Actuaries are currently guided by the *Code of Professional Conduct* and, in the past, have been guided by Interpretative Opinion No. 3. They are also guided by other actuarial standards of practice, depending on the nature of the work at hand.

Actuarial communications may be made available to a variety of users of actuarial work products including clients, employers, regulators, shareholders, and policyholders as well as external audiences such as the general public. Actuarial communications may be delivered in many forms, including statements of opinion, memoranda, and correspondence, written, electronic or oral, singular or part of a broader pattern of communication. In preparing and conveying actuarial communications, actuaries seek to satisfy their responsibility to their principals, i.e., clients or employers, while being mindful of the potential impact of their communication upon other parties.

Appendix 2

Comments on the 2001 Exposure Draft and Committee Responses

The second exposure draft of this actuarial standard of practice (ASOP), titled *Actuarial Communications*, was issued in March 2001, with a comment deadline of September 15, 2001. Eighteen comment letters were received. The General Committee carefully considered all comments received. Summarized below are the significant issues and questions contained in the comment letters and the committee’s responses to each.

GENERAL COMMENTS	
Comment	Several commentators agreed that the inclusion of “oral communications” was appropriate. Another suggested that the way in which “oral communications” was included would prove to be unmanageable in practice.
Response	The committee believes that including “oral communications” should not be unmanageable, particularly when viewing them as part of “the cumulative communications” described in section 3.1.
Comment	One commentator believed that, with respect to “oral communications,” the proposed ASOP went well beyond the requirements of the <i>Code of Professional Conduct</i> .
Response	The previous <i>Code of Professional Conduct</i> was not as clear as the revised <i>Code of Professional Conduct</i> with respect to applicability to oral communications. Further, the <i>Code of Professional Conduct</i> applies to practice anywhere in the world, and offers general guidance on actuarial communications without reference to nation-specific practice. The language in this standard was revised after the current <i>Code of Professional Conduct</i> was adopted. The standard is intended to offer more specific guidance on actuarial communications and applies only to practice in the U.S.
Comment	Two commentators suggested that the standard include a section dealing specifically with materiality.
Response	The committee believes that the issue is broader than the scope of <i>Actuarial Communications</i> . The issue of materiality is being explored by the American Academy of Actuaries.
Comment	One commentator suggested that the standard include a section dealing specifically with peer review.
Response	The committee believes that the issue is broader than the scope of <i>Actuarial Communications</i> . The committee is planning an exploration of this issue.
Comment	One commentator was concerned about the coordination of this standard with other standards.
Response	The committee believes that section 3.2 appropriately addresses this issue.
Comment	One commentator was concerned with the lack of definition of the word “significant” throughout the standard.
Response	The committee believes that significance must be left to the judgment of the actuary within the context of the assignment.

Comment	One commentator suggested that this standard as written would impose communication standards upon actuaries which are significantly more stringent than those established by other professions.
Response	The committee believes that this standard is appropriate for actuaries. Actuaries provide specialized services for which they are uniquely qualified and the standards of other professions are not applicable to actuarial services.
Comment	One commentator was concerned that the notification of one's "advocacy" was not well enough addressed.
Response	The committee believes that sections 3.1.1, 3.1.5, and 3.1.7 adequately address this issue.
Comment	Several commentators questioned whether communications at specific points in an assignment must be considered and have the standard applied to them individually.
Response	The committee had addressed this with the language of section 3.1: "The requirements of this standard should be applied to the cumulative communications with respect to each specific engagement or assignment so that all of the communications, taken together, satisfy this standard even though individual communications may not." This language was provided specifically to help actuaries meet their obligations in a practical manner.
Comment	Several commentators suggested various wording changes.
Response	The committee implemented such suggestions if they enhanced clarity and did not alter the intent of the section.
SECTION 1. PURPOSE, SCOPE, CROSS REFERENCES, AND EFFECTIVE DATE	
Section 1.1, Purpose	
Comment	One commentator suggested that the language describing "communications" was too limiting, citing a film as an example.
Response	The committee was at first inclined to adopt the commentator's suggestion, but after discussion with the ASB it was determined that any film or similar medium was included as either a written or an electronic communication. Accordingly, no change was made.
Comment	Another commentator suggested that "actuaries" needed to be defined.
Response	The committee believes that this is adequately covered by the <i>Code of Professional Conduct</i> .
Section 1.2, Scope	
Comment	One commentator questioned whether a statement should be added addressing conflicts with other ASOPs.
Response	The committee believes that sections 3.1.2 and 3.2 adequately address this issue.
Comment	Another commentator suggested that the phrase "either in full, or" be deleted.
Response	The committee agreed and modified the language.

SECTION 2. DEFINITIONS	
Section 2.1, Actuarial Communication	
Comment	One commentator questioned whether drafts of actuarial communications should be explicitly excluded.
Response	The committee believes that the definition is appropriate. Any draft, unless withdrawn, must be considered in the context of the complete work product.
Comment	The same commentator also questioned whether oral presentations such as those at professional actuarial meetings should be explicitly excluded.
Response	The committee believes that the part of the definition in 2.1 limiting communications to “a principal or member of the intended audience by an actuary with respect to actuarial services” sufficiently excludes the types of presentations mentioned.
Comment	One commentator questioned how the standard would apply to a CEO who is an actuary commenting on the work of a consulting actuary to another executive.
Response	The committee believes that typically this type of communication would fall outside the standard when in a business context. However, if the CEO is acting as an actuary for a principal, the standard would apply.
Section 2.2, Actuarial Findings	
Comment	One commentator agreed with the inclusion of this definition but believed that it overlapped with section 2.4, Actuarial Services.
Response	The committee believes that sections 2.2 and 2.4 are appropriate as written.
Section 2.3, Actuarial Report	
Comment	One commentator believed that the examples given in this section needed to be deconstructed to redefine other definitions. Another believed that certain specific types of reports (for example, reports to audit partners or appointed actuaries) should be included.
Response	The committee disagreed that the definition needed to be revised. Not all actuarial communications are actuarial reports and the examples were provided as guidance.
Comment	Another suggested specifically noting these as examples and adding “organizations” to the list.
Response	The committee agreed and changed the language of section 2.3(b) to read “internal communications, for example, within a company or organization, firm or government agency....”
Section 2.5, Intended Audience	
Comment	Two commentators suggested that since regulators are included as part of the intended audience supporting documentation should be made available to the regulator upon request.
Response	The committee disagreed, believing that an actuary’s duty is to the principal. The question of availability of documentation should be the subject of state regulation, not this standard.
Comment	Another commentator questioned the need for the phrase “after discussion with the principal” as used in the first sentence.
Response	The committee believes that the phrase is appropriate in light of the fact that the principal has a proprietary interest in the material and should know in advance of any communications with others.

Comment	Another commentator suggested that the phrase “with consent of the actuary” should be removed.
Response	The committee disagreed, given the requirement in section 3.1.2 that the actuary take into account the intended audience. Without this phrase in the definition, the actuary would not be able to comply with section 3.1.2.
Section 2.8, Statement of Actuarial Review for Public Use or Reliance	
Comment	Two commentators presented observations. One commented that the word “public” implied “public at large.” The other commentator suggested that the phrase “usually a regulatory or legislative body” be inserted after “third party.” Another commentator suggested changes to section 3.3.4, which relates to this definition.
Response	After considerable discussion, the ASB deleted this entire section as well as section 3.3.4 as being too specific for a general standard.
SECTION 3. ANALYSIS OF ISSUES AND RECOMMENDED PRACTICES	
Section 3.1, General Requirements for Actuarial Communications	
Comment	One commentator questioned whether this section made an actuary responsible for all communications relating to any engagement and suggested that clarification is needed.
Response	The committee believes that definitions 2.1 and 2.7 make this clear.
Section 3.1.2, Form and Content	
Comment	One commentator suggested that the phrases “and understanding” and “and experience” be eliminated.
Response	The committee agreed that the phrases placed an inappropriate burden upon the actuary and removed them as well as the phrase “the knowledge of.”
Comment	The same commentator further suggested eliminating verbiage from the last sentence including the phrase “by the actuary” and all the verbiage following “actuarial communication.”
Response	The committee disagreed in part but did eliminate the requirement that previous communications comply with this standard.
Comment	Another commentator objected to giving the requirements of other ASOPs precedence over the requirements of this ASOP.
Response	The committee disagreed and made no change to this section nor to section 3.2.
Section 3.1.3, Timing of Communication	
Comment	One commentator suggested eliminating the phrase “engagement, assignment, or other” and all the verbiage following “work product.” Another suggested that the communication should be released “simultaneously” with the issuance of the analysis.
Response	The committee disagreed because timing may need to be coordinated with other actions of the principal.
Comment	A third commentator suggested that “reasonable period” should be defined.
Response	The committee disagreed, believing that the nature of the assignment and the judgment of the actuary should prevail.
Section 3.1.4, Identification of Responsible Actuary	
Comment	One commentator questioned the clarity of the last sentence, which contained reference to “the organization.”
Response	The committee agreed and removed the phrase “and those of the organization.”

Comment	Another believed that the standard as written was weaker than Precept 5 of the <i>Code of Professional Conduct</i> .
Response	The committee disagreed.
Section 3.1.5, Non-Independence	
Comment	One commentator questioned whether this was in conflict with Precept 6 of the <i>Code of Professional Conduct</i> . Another believed that disclosure should be required only when the actuary was “aware” that he or she is not financially and organizationally independent.
Response	The committee concluded that the first commentator raised a good point, in that the final sentence of Precept 6 of the <i>Code of Professional Conduct</i> was not explicitly recognized. Accordingly, the committee decided to add clarifying language so that the revised section gives relatively complete guidance, obviating the need to consult the <i>Code of Professional Conduct</i> simultaneously. The language added addresses the “financially independent” portion of the second commentator’s observations; but the committee disagreed with respect to organizational independence, which is not referenced in either Precept 6 or Precept 7 of the <i>Code of Professional Conduct</i> . Further, the committee believes the actuary has a duty to address the matter of organizational independence.
Comment	A third commentator believed the placement of the phrase “in the actuarial communication” was confusing.
Response	The committee agreed and moved the phrase to modify “disclosure in the actuarial communication....”
Section 3.1.6, Reliance On Other Sources	
Comment	Three commentators believed that the requirement imposed by the last sentence was too burdensome and that the language should be changed.
Response	The committee agreed and removed the last sentence but added, as an example, a reference to reasonableness checks. In this connection, section 5.3 of ASOP No. 23, <i>Data Quality</i> , contains helpful guidance.
Section 3.1.7, Advocacy	
Comment	One commentator suggested that the phrase “to the intended audience” be inserted after the word “apparent.”
Response	The committee disagreed, believing that the suggested language was too narrow.
Section 3.1.8, Methods or Assumptions Prescribed by a Principal	
Comment	Two commentators offered additional language, which would have required the actuary to be in agreement with the principal.
Response	The committee disagreed.
Section 3.1.9, Obligations Imposed by Law, Regulation, or Another Profession’s Requirements	
Comment	One commentator offered additional language which would have required only that work has been performed “in accordance with the actuary’s understanding of” such requirements.
Response	The committee disagreed.
Section 3.3.1, Oral Communications	
Comment	One commentator praised the language. Another suggested adding language to cover nuances in an oral communication.
Response	The committee believed the section was sufficiently clear.

Section 3.3.2, Communication of Significant Actuarial Findings	
Comment	Two commentators believed that the section was too far reaching. Another believed that it left a loophole.
Response	The committee believed the existing language and approach were sufficiently clear and appropriate.
Section 3.3.3, Actuarial Report	
Comment	One commentator suggested that this language did not address the validity of a report and the methodology used.
Response	The committee disagreed.
Section 3.5, Responsibilities to Other Users	
Comment	One commentator suggested that this section might result in language limiting distribution of actuarial communications.
Response	The committee noted that many are already using such language to minimize misuse and agrees that such an approach is appropriate.
Section 3.5.1, Use of Actuarial Communications by Others	
Comment	One commentator believed that this put an unreasonable burden on the actuary. This commentator and another suggested language changes.
Response	The committee disagreed and made no change.
Section 3.5.2, No Obligation to Communicate with Other Users	
Comment	One commentator questioned the clarity of the section and suggested dropping it.
Response	The committee believed that this was needed and that the language was sufficiently clear.
Section 3.6, Documentation	
Comment	One commentator believed that this implies that a full report would be needed for each individual communication.
Response	The committee disagreed, believing the language was sufficiently clear and appropriate.
Comment	Another was concerned that this duplicated ASOP No. 9, <i>Documentation and Disclosure in Property and Casualty Insurance Ratemaking, Loss Reserving, and Valuation</i> .
Response	ASOP No. 9 applies only to Property & Casualty work, while this standard covers all practice areas.
Comment	A third questioned why an actuary should document oral communications.
Response	The committee believes this is generally accepted actuarial practice when the oral communication is an actuarial communication as defined in section 2.1.
APPENDIX 1	
Comment	One commentator believed that the language should indicate that while the exposure draft expands upon and explicates portions of Interpretative Opinion No. 3, it also eliminates a number of portions and applicability of that opinion.
Response	The committee agreed and added the phrase “and eliminates.”