

Comment #1 – 10/15/14 – 8:10 p.m.

Regarding the exposure draft I have the following comments

Regarding the subject exposure draft

1. I would make 2.4 and 3.5 more consistent by changing 2.4 to say an exposure base is a unit that is reasonably proportional to losses to be forecasted

2. 3.7.1 I would define "extension of exposure"

3. 3.14 My experience is that many actuaries determine total rate needs without considering reinsurance costs, by just determining total the cost of insurance, say, in primary business. In many cases consideration of reinsurance is separate from the primary rate. Are we saying that reinsurance costs must be included in the rate and is this raising the bar as far as current practice may be concerned

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