

**Comment #5 – 10/29/14 – 5:28 p.m.**

Hi,

I have comments on only a few areas:

2. Is it sufficiently clear in section 1.2, Scope, that this proposed ASOP will apply to all activities regarding the estimation of future costs for property/casualty insurance, applications of self-insurance, risk-funding or retention mechanisms, or other risk transfer mechanisms for policies not yet written?

Yes, I think that is clear. However, related to this, I have comments on a few definitions that I think need revision:

2.8 Rate—An estimate of the expected value of all future costs associated with an individual risk transfer. I suggest replacing the words "risk transfer" with the words "policyholder coverage" as self-insurance does not involve risk transfer and I think the existing definitions of "policyholder" and "coverage" combine to produce a more inclusive definition of what is intended.

2.9 Ratemaking—The process of estimating future costs associated with the transfer of risk in insurance or other risk-transfer mechanisms. I suggest adding the words "or policyholder coverage" prior to the last word "mechanisms" in order to provide a more inclusive definition of what is intended.

6. In section 3.2, Organization of Data, the proposed ASOP refers to several methods for the aggregation of data (Accident Period, Calendar Period, Report Period, and Policy Period). These methods are presumed to be well understood and are not defined. Are these methods sufficiently understood or do you think these methods need to be defined?

I think this is probably sufficiently well understood by the actuaries that will be applying the ASOP. BUT, actuaries are not the only users/beneficiaries of these ASOP's and if definitions of those aggregations of data are not yet defined in an existing ASOP then I think it would be valuable to include definitions in this ASOP.

Thank you for the opportunity to comment,

John Captain