

Comment #7 – 11/4/14 – 8:42 a.m.

Comments on Proposed ASOP regarding Property/Casualty Ratemaking

General Questions

- 1) Why is “premium” not defined, as a function of rate and exposure?
- 2) I might consider re-ordering some of the sub-sections in section 3, so that data issues are discussed in a more sequential fashion. For example, I might move 3.2 and 3.3 to after 3.6.

Specific Comments

- 3.5 - I believe “composite” should be in bold type in the second paragraph.
- 3.7.1 – I would suggest defining “on-level factors”. I would also consider using the word “trend” in this section.
- 3.7.3 – it may help to provide an example of “accounting changes”, as one does not immediately come to mind.
- 3.9 – this statement confuses me, given 3.7.1. Is this a type of “additional” trend not contemplated in 3.7.1?
- 3.16 – I would add “premium” before “income”, and change “come” to “be derived”.

Thanks,
Steve

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