

**Comment #9 – 11/24/14 – 7:31 p.m.**

Comments on Exposure Draft of ASOP on P/C Ratemaking

Section 1.2:

This standard applies to actuaries developing etc. rates for policies not yet written. What about retro-rated policies? Most of these standards should apply to the process of developing an algorithm, factors, etc. for retro-rating, as well as prospective rating.

Section 2.6:

I think the definition used in ASOP for “model” (*“An information structure, such as a set of mathematical equations, logic, or algorithms, that is used to represent the behavior of specified phenomena.”*) does a better job of communicating what is meant by a model. Is there a reason why the same definition was not re-used here?

Section 2.8:

The definition of “rate” looks to be more accurately applied as the definition of “premium”. “Rate” is generally expressed on a per-exposure basis, and that doesn’t seem to be the case here.

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