

**Comment #1 – 10/8/14 – 3:37 p.m.**

1. Would an ASOP on life insurance and annuity pricing be beneficial to the profession?

- Yes. Although pricing actuaries can pull guidance in the form of general principles from other standards as well as additional literature, having an ASOP dedicated to the topic would both (a) provide more uniformity among practices and (b) create a structure upon which the actuary can rely when considering new or alternative benefit designs.

2. Are there areas where appropriate practice needs to be defined or current practice needs to be improved? If so, what are those areas?

- Establishing appropriate assumptions, considering the needs and objectives of the customer (e.g., appropriate profitability measure for the specific management team), recognizing and disclosing areas where results are most vulnerable to variance from anticipated experience are among the areas that could be strengthened.

3. Does the proposed ASOP cover the appropriate subject areas? If not, what changes do you suggest?

- It probably covers the most important ones, but consideration of the pricing actuary's audience should not be overlooked. The appropriateness of an assumption or the acceptance of a particular type of hazard could depend heavily on the specific provider's objectives and tolerance for risk.

4. How should the proposed ASOP interact with existing ASOPs that provide guidance regarding policyholder dividends and other nonguaranteed elements?

- Inasmuch as these ASOP's have been refreshed within the past 3-4 years, they could be incorporated by reference where appropriate within the pricing ASOP.

Respectfully submitted,

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