

Comment #20 – 2/27/15 – 3:08 p.m.

Please consider the following comments on the Proposed Actuarial Standard of Practice.

1. Please consider changing the title to **Actuarial Projection Modeling** or something similar. I am concerned that the current draft ASOP has little relevance to predictive modeling or statistical modeling, so action should be taken to minimize possible misunderstandings.
2. To the extent that **model input** is not a defined term, please consider refinements so that “**input to a model**” appears rather than “**model input**”. This is consistent with the presentation in Sections 2.1 and 2.2 and may enhance clarity.
3. Please consider Section 3.2.5(b) where the actuary is to consider “whether grouping **model inputs** will produce reasonable results” among other things. With respect to grouping **inputs to a model**, I believe that the actuary should be required to ensure that accuracy of the model is not compromised by the grouping methodology selected.
4. Please consider Section 3.3.1(a)(1), where it is taken for granted that the distinction between “**model input values**” and “actual **data**” is clear and unambiguous. I believe that greater care should be taken to clarify any distinction between (for example) “raw data” vs. “input data” or “ungrouped data” vs. “grouped data”. Guidance on the development of “**model input values**” from “actual **data**” should be given greater visibility.

Thank you for considering the above comments.

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