

Comment #16 – 12/30/15 – 1:25 p.m.

I am writing to provide comments on the Exposure Draft “Proposed Revision of Actuarial Standard of Practice No. 21: Responding to or Assisting Auditors or Examiners in Connection with Financial Audits, Financial Reviews, and Financial Examinations”. I would like to thank the members of the drafting committee for their thoughtful update to the standard. I believe the scope is clear, and this draft better describes the current responsibilities of the relevant actuaries than the 2004 version. I have a few minor questions, however.

Given the increased importance of recognizing risk in this sort of exam, I wondered if the list in 3.5.4 ought to include some explicit mention of the risks the actuary perceives and how that might impact the methods they used and the results and conclusions they reached.

Also, I noticed a couple of sections of the ASOP that mention a consideration but don’t give any explicit guidance. Was that on purpose?

- 3.2 says that the responding actuary should consider discussing his responses with the entity. That seems vague. When would he NOT do so?

- 3.5.6, confidentiality, just says “there may be an exchange of confidential information, here’s what that means”. Should it say anything more about that? What purpose does it serve?

Finally, in 3.6 the reviewing actuary SHOULD document, but the responding actuary should consider doing so. Was that distinction intentional?

Thank you very much for the opportunity to comment.

Sincerely,
Ginda Kaplan Fisher, FCAS, MAAA