Comment #3 – 10/9/16 – 11:29 a.m.

These comments are submitted on my own behalf.

Section 3.1: "For example, corporate financial planning, ratemaking, and reserving **models** would typically require application of the guidance."

- I am not sure if this example is necessary. What if you are doing reserving for an extremely niche line of business where all claims over the past 10 years have been paid out one day after being reported? It all depends on materiality.

Section 3.2: I would suggest that the actuary should have knowledge of the model's **assumptions**, in addition to the points listed. Same in Section 3.4.4.

Section 3.4.7a: inputs and assumptions based on actual experience should still be modified to ensure that they are representative of the underlying environment expected to be present at the time when the model will be applied. If we used inputs/assumptions from 1900 in an auto insurance pricing model, we would be in line with this ASOP as written, but our model would not be useful.

Overall, I believe this is a solid standard of practice. It is perhaps important to recognize that this ASOP relates to modeling in general and does not provide sufficient guidance in isolation to support the construction of a specific type of model, such as a random forest predictive model.

Thank you,

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