

Comment #12 – 10/28/16 – 9:19 a.m.

The following are comments on the Third Exposure Draft on Modeling.

I would first like to thank the Modeling Task Force for their extensive work on this draft, and I appreciate the opportunity to provide comments on it. These comments reflect my opinions, and are not necessarily those of my employer.

Section 2.12—Having more clarity on what ‘Simple Model’ means would be helpful. Would it be possible to include examples too?

Section 3.2—I would suggest to change “including” to “such as” before the bullet point list. While in concept the bullet point list of items is generally reasonable, some forms of models do not lend themselves to being able to succinctly know or explain the major sensitivities and dependencies, even for the model builder. I think it needs to be made clear these are suggested items to cover but not required.

Section 3.4.7a vs. b—Is there a reason these are separated into two sub-sections? Can more clarity be provided on why they are?

Section 3.5.1—I would suggest that nature and degree of validation not be determined by the “complexity” of the model but rather be more dictated by the importance of the model.

Section 3.6.1—Is it intended that the “extent to which a model fails to fulfill its intended purpose” be more qualitative and not quantitative in nature? I believe that would be appropriate, to be more of a qualitative discussion. If so, can that be clarified?

Thank you again for the opportunity to comment on the Draft ASOP.

Greg Frankowiak, FCAS, MAAA, CPCU, MSM