

Comment #19 – 10/31/16 – 1:48 p.m.

Thank you for the opportunity to provide comments on the proposed actuarial standard of practice (ASOP), *Modeling*. Overall I think the changes improved the draft, and want to say thank you for all the time that has gone into reviewing comments and creating this standard.

Section 3.2, I would suggest that the last sentence of the first paragraph use “such as the following” instead of “including the following” to allow for situations where one or more of these elements is unnecessary or impractical.

Section 3.2 and 3.3 – I think the distinction between sections 3.2 and 3.3 is unclear, does 3.2 apply in addition to 3.3 if the model was developed by an actuary?

Section 3.5.1 – I think that the intended purpose of the model is much more important than the complexity when considering how much validation is necessary. A complex model that affects few customers or has a small effect should not require complex validation.

Section 3.6.1a- I don't know how I would document “the extent to which a model fails to fulfill its intended purpose”. It seems difficult or arbitrary to try to describe how much better a model could be with more time, data, etc.

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