

Comment #10 – 4/28/17 – 3:39 p.m.

Thank you for the opportunity to review the third exposure draft of the proposed Actuarial Standard of Practice on Estimating Future Costs for Prospective Property/Casualty Risk Transfer and Risk Funding. I am submitting these comments on behalf of the actuaries in Allstate's pricing department.

We note that section 4.1 requires disclosure of assumptions used in developing or reviewing the future cost estimates. Further, section 3.5 states that "assumptions may be implicit or explicit." We are feel that section 4.1 could be overly broad, potentially requiring the disclosure of all implicit assumptions. We agree with other commenters who recommended stating that the disclosure requirement apply only to explicit, material assumptions.

Beyond that, with regard to the six questions posed by the ASB, we feel that the proposed ASOP provides sufficient and appropriate guidance within its stated scope.

Thank you,
John Lower, FCAS, MAAA