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Actuarial Standards Board
1850 M Street, NW, Suite 300
Washington, DC 20036

Re: Setting Assumptions ASOP, 2nd Exposure Draft

Dear ASB:

Thank you for exposing a draft Setting Assumptions ASOP for comments.

In reviewing the exposure draft I found that the word data is poorly defined, that there is lack of differentiation between data and information, and that the section describing prescribed assumptions did not answer my questions. Specifically:

2.2 Definition of Data

- The definition of data in this draft ASOP is very different than the definition of data found in the current draft of the Modeling ASOP. The data definitions for Setting Assumptions and Modeling should be consistent. Furthermore, I suggest that data should be consistently defined across all ASOPs.
- "Classification information" is listed as form of data. In my mind "classification information" is the qualitative metadata that describes the classification system. I believe, however, that you are referencing categorical counts and not metadata.

3.2 Information Used When Setting Assumptions

- This key section of the ASOP references "information" as the source for assumptions, yet information is an undefined word.
- The use of information as the source of assumptions in this section is not consistent with Sections 3.1, 3.3, and 3.8 which reference data as the source of assumptions.

2.3 Information date

- Although information is not defined, information date is defined.

2.5 Prescribed Assumption Set by Law

- The phrase "for this purpose", implies that there a contradictory ASOP. Is there?

- If assumptions set by sponsoring government entities are not prescribed assumptions set by law, what are they? If they are assumptions set by other parties, should the ASOP say so? If the answer is within in another ASOP, can you point to that ASOP?

Thank you for your service to our profession.

Sincerely,

Tia

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