May 15, 2019

Modeling (Fourth Exposure)
Actuarial Standards Board
1850 M Street, NW, Suite 300
Washington, DC 20036

Dear Sir or Madam:

The following comments are being submitted on behalf of Lincoln Financial Group in response to the Actuarial Standards Board Request for Comments on the proposed ASOP related to Modeling.

We appreciate the time and effort the Committee has invested in refining the Modeling standard; in particular the additional language incorporating predictive modeling. In general, Lincoln is supportive of the proposed ASOP, though we have a few specific changes to the language we would like to propose.

Following are our comments:

Section 2: Definitions

- The definition of Model refers to “A simplified representation”. We propose removing the word “simplified” as it seems unnecessarily restrictive.

Section 3.3: Reliance on Models Developed by Others

- The last sentence of the section is somewhat ambiguous and could leave open to interpretation which sections of the standard are applicable. The detailed sub-bullets 3.3a-d seem sufficient and we would propose removing that last sentence.

Section 3.5.1: Model Testing

- Suggest adding in a new section 3.5.1.c: “Performing sample runs of individual model points to validate application of model logic and inputs” and shifting the existing 3.5.1.c to 3.5.1.d.

Section 4.2: Additional Disclosures in an Actuarial Report

- We propose removing Section 4.2 as Section 4.1 already requires compliance with the disclosure standards of ASOP 41.
Thank you for the effort put into this so far and for the opportunity to comment. We look forward to seeing the final draft of this important ASOP that will continue to move our profession forward.

Sincerely,

[Signature]

Tracy Yantosh
Assistant Vice President and Corporate Actuary