

Comment #4 – 5/1/19 – 10:11 a.m.

To whom it may concern:

Regarding the second exposure draft of the proposed Setting Assumptions ASOP, I have the following syntactic objection:

The natural way to parse the current definition of “assumption” is as follows:

A value that:

- (a) represents expectations,
- (b) represents possibilities based on professional judgment, or
- (c) may be prescribed by law or by others.

Values could satisfy criterion (c) even if they are clearly not assumptions. For example, if there is a regulation that rate level swings cannot exceed 30%, 30% is an “assumption,” since it is a value prescribed by law or by regulation. I assume that is not the ASB’s intent.

To correct this, I suggest emending the definition as follows:

A value that represents expectations, represents possibilities based on professional judgment, or is prescribed by law or by others to represent expectations or possibilities.

I am submitting this comment on my own behalf.

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