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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