

July 19, 2019

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

Comments on Proposed ASOP – Setting Assumptions (Second Exposure Draft)

This letter is the response of Willis Towers Watson to the second Exposure Draft (“ED”) of the Proposed Actuarial Standard of Practice (“ASOP”) – Setting Assumptions. Willis Towers Watson is a global professional services firm that helps organizations improve performance through effective people, risk and financial management. Willis Towers Watson has over 45,000 employees on a worldwide basis, over 1,100 of whom are members of U.S. actuarial bodies subject to the standards. The undersigned have prepared our company’s response with input from other actuaries in the company.

2.3 Information Date – Currently the definition of “Information Date” in the Setting Assumptions ASOP is not quite consistent with the definition in ASOP 41. We suggest using the following definition for consistency: Information Date – The date(s) through which data and other information have been considered in setting assumptions reflected in an actuarial communication.

3.3 a. Assumption Margins – the wording of a. may suggest that the only cause of uncertainty to consider is the lack of relevant and credible data. We suggest that the actuary could consider other causes of uncertainty, for instance, the possibility that the past will not be predictive of the future, or that the future will differ from the past due to conditions that cannot be measured by data (e.g. future economic conditions) but that can be forecasted.

Thank you for this opportunity to comment on the ED. If you have any questions concerning our comments, please contact us directly.

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