

Comment #13 – 7/15/19 – 6:06 p.m.

To Whom It May Concern:

Thank you for the opportunity to provide the following comments on the proposed revision of ASOP

2. In my review of the ASOP, I see issues with the following elements of the proposed standard:

1. The exposure draft contains rules that do not exist today.
2. The exposure draft contains rules that would be operationally difficult or impossible to comply with (e.g., the pattern of profits requirement in Section 3.4.2.4c).
3. The exposure draft contains rules that could put a company actuary in a situation in which an inherent conflict of interest with his or her employing company may exist (e.g., applying the determination policy in Section 3.2.2 if the determination policy is inconsistent with Sections 3.2 and 3.2.1). In the extreme, there exists a scenario in which an actuary may not be able to recommend changes to non-guaranteed elements that would otherwise bolster the solvency position of a struggling insurer.

Overall, I believe this exposure draft is too prescriptive and would overly restrict the actuary's ability to set rates that are equitable and sustainable.

Thank you again for the opportunity to provide feedback on the standard.

Regards,

Jesse Kling, FSA, MAAA