

Setting Assumptions, Third Exposure Draft

Comment Deadline: April 15, 2021

I. Identification:

Name of Commentator / Company
Joseph M. Izzo / Insurance Services Office, Inc. (a Verisk Analytics company), responding on behalf of the ISO actuarial community representing 77 credentialed actuaries (45 ACAS, 32 FCAS)

II. ASB Questions (If Any). Responses to any transmittal memorandum questions should be entered below.

Question No.	Commentator Response
N/A	N/A

III. Specific Recommendations:

Section # (e.g. 3.2.a)	Commentator Recommendation (Please provide recommended wording for any suggested changes)	Commentator Rationale (Support for the recommendation)
3.1	Suggested rewording of the first sentence: "The actuary should take into account the following when setting assumptions:"	It is the actuary rather than the assumptions that need to take items a-d into account.
3.1.d	Suggested rewording of the first sentence: "the appropriate balance between refinement of assumptions, materiality, and practical matters..."	The proposed wording seems clearer.
3.1.d	Suggested rewording of last sentence: "The actuary need not consider setting a more refined..."	The final sentence may imply that the actuary is required to set a more refined assumption if it is expected to produce materially different results. We don't believe this implication is intended or appropriate.
3.7	We believe the reference to ASOP No. 41 was appropriate and should be added back.	ASOP No. 41 provides additional guidance.

IV. General Recommendations (If Any):

Commentator Recommendation (Identify relevant sections when possible)	Commentator Rationale (Support for the recommendation)

V. Signature:

Commentator Signature	Date
Joseph M. Izzo	4/13/21