

## Title of Exposure Draft: Setting Assumptions Third Exposure Draft

**Comment Deadline: April 15, 2021**

Instructions: Please review the exposure draft, and give the ASB the benefit of your recommendations by completing this comment template. Please fill out the tables within the section below, adding rows as necessary. Sample for completing the template provided at the following link: <http://www.actuarialstandardsboard.org/email/2020/ASB-Comment-Template-Sample.docx>

Each completed comment template received by the comment deadline will receive consideration by the drafting committee and the ASB. The ASB accepts comments by email. Please send to [comments@actuary.org](mailto:comments@actuary.org) and include the phrase 'ASB COMMENTS' in the subject line. Please note: Any email not containing this exact phrase in the subject line will be deleted by our system's spam filter.

The ASB posts all signed comments received to its website to encourage transparency and dialogue. Comments received after the deadline may not be considered. Anonymous comments will not be considered by the ASB nor posted to the website. Comments will be posted in the order that they are received. The ASB disclaims any responsibility for the content of the comments, which are solely the responsibility of those who submit them.

### I. Identification:

Name of Commentator / Company
Laura Maxwell on behalf of Pinnacle Actuarial Resources, Inc.

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

Question No.	Commentator Response
None	

### 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.d	the balance among refined assumptions, materiality, and practical matters such as <u>limited data, staff, time or other resources</u> <del>cost and time</del> within the scope of the assignment	The constraints of cost and time could be replaced with the list of constraints that are in ASOP 43, Section 3.2.
3.2b	other relevant and sufficiently reliable experience, such as industry experience that is properly modified to reflect the circumstances, if actual experience is not <del>available or relevant, or is not sufficiently reliable</del> <u>believed to be fully credibility in the actuary's professional judgement</u> ;	This change would make the language more consistent with ASOP 23.
3.2.c	Market data should be defined or replaced with external experience.	Markets is too general that anything could be included.
3.5	Replace with ""If the assignment requires the actuary to set multiple assumptions, the actuary's selected assumptions should be internally consistent.""	Should be reworded to make the intent clear.
3.6	A margin may be explicit or implicit <u>but should be reasonable for its intended purpose.</u>	Additional detail is needed to avoid misuse of margins.
3.7	The last sentence is confusing. The ASOP could refer to ASOP 41 for treatment of subsequent events.	

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3.9	The degree of such documentation should be based on the professional judgment of the actuary and <del>may</del> <u>could</u> vary with the complexity and purpose of the actuarial services	This would show that increased documentation for more complex assumptions is appropriate.
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**IV. General Recommendations (If Any):**

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

**V. Signature:**

Commentator Signature	Date
The comments above are the collected comments of the consultants employed or affiliated with Pinnacle. If you have any questions regarding our comments, please contact Laura Maxwell, Pinnacle's Professional Standards Officer, at <a href="mailto:lm Maxwell@pinnacleactuaries.com">lm Maxwell@pinnacleactuaries.com</a> .  Laura A. Maxwell, FCAS, MAAA, CSPA	4/14/2021