

Title of Exposure Draft: ASOP 41 – Actuarial Communications

Comment Deadline: November 1, 2022

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 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
Steven T. Anderson, FSA, MAAA

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

Question No.	Commentator Response

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)
1.2	<p>Applicable law (statutes, regulations, and other legally binding authority) may prescribe the form and content of a particular actuarial communication. In such situations, the actuary should must comply with applicable law and should comply with the guidance in this standard to the extent not prohibited by applicable law.</p> <p>If a conflict exists between this standard and applicable law, the actuary should must comply with applicable law. If the actuary departs from the guidance set forth in this standard in order to comply with applicable law, or for any other reason the actuary deems appropriate, the actuary should refer to section 4.</p>	<p>It would be inappropriate for our profession to anticipate any reasonable alternative but to comply with applicable law, and thus under section 2.1 of ASOP 1, “must” is the appropriate term in this instance.</p>
2.1	<p>A written, electronic, or oral communication issued by an actuary with respect to actuarial services. An electronic communication is a written or oral verbal communication transmitted by means of a computer or other electronic device.</p>	<p>“Oral Communication” is defined in section 2.7, and thus should be bolded when referenced in section 2.1.</p>

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		<p>“Oral Communication” as defined in section 2.7 explicitly excludes a communication that has been recorded. This would seem to exclude any communication that is transmitted by means of an electronic device, since recording is prerequisite for such transmission. Thus an “Oral Communication” as defined in 2.7 cannot be an “Electronic Communication” as defined within in 2.1.</p> <p>Section 2.4 requires an “Actuarial Report” to be recorded. It seems that the ASOP intends for non-recorded verbal communications to never qualify as an “Actuarial Report”, while a recorded verbal communication that is electronically transmitted may potentially qualify as an “Actuarial Report”. Adjusting the electronic communication definition embedded within 2.1 is helpful in clarifying this point.</p>
3.1.3	<p>The actuary should issue each actuarial communication within a reasonable time period that allows the intended user to make timely decisions and take timely action on the basis of any actuarial findings and other content of the actuarial communication</p>	<p>As originally written, it is not clear what constitutes a “reasonable time period”. Defining reasonableness on the basis of the intended user’s needs ensures that actuarial communications are not provided so late as to render them useless.</p>

IV. General Recommendations (If Any):

Commentator Recommendation (Identify relevant sections when possible)	Commentator Rationale (Support for the recommendation)
<p>Consider adding a definition for “Actuarial Considerations” in Section 2, similar to the following:</p> <p>“Considerations related to the measurement and management of financial risk and uncertainty”</p>	<p>Section 2.5 defines “Actuarial Services”, in part, as services that “include the rendering of advice, recommendations, findings, or opinions based upon actuarial considerations”.</p> <p>This definition matches the definition of “Actuarial Services” used within the Code of Professional Conduct. However, neither ASOP 41 nor the Code define “Actuarial Considerations”, leaving ambiguity as to what constitutes “Actuarial Services”.</p>

V. Signature:

Commentator Signature	Date
Steven T. Anderson	August 23, 2022