

ASOP No. 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
WTW

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

Question No.	Commentator Response
1	We believe the distinctions among actuarial communications, actuarial reports, and actuarial documentation are clear.
2	We believe that "does not significantly conflict with what, in the actuary's professional judgment, would be reasonable for the purpose of the assignment" in section 3.3.3(b) is the appropriate disclosure language, as opposed to "reasonable"/"unreasonable" or some other terminology. We note that the "does not significantly conflict with what would be reasonable" standard is the standard applied under recently updated ASOPs No. 4, 27 and 35 for assumptions set by other parties. In addition, pension and post retirement medical actuaries must disclose the information and analysis that led the actuary to conclude that the "does not significantly conflict" standard has been met, and significant resources have recently been invested in supporting those disclosures. If ASOP 41 were to use a different standard, pension and post retirement medical actuaries would need to comply with both sets of standards, which would add additional costs, be confusing to users, and would not provide any meaningful benefit that would justify the added cost and complexity.

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)
3.3.5	<p>Add a final sentence at the end of this section, as bolded below. The language is similar to language in ASOPs No. 4, 27 and 35:</p> <p style="text-align: center;">The actuary should disclose those events and their potential implications. The disclosure need not be numeric and may be brief, but should be pertinent to the report's circumstances.</p>	<p>➤ As written the ED would require disclosure of any events that become known after the information date (the last date as of which data and other information is reflected, which is usually the valuation date or the measurement date) "and their potential implications". Current ASOP 41 requires the following:</p> <p>"</p> <p style="text-align: right;">If the actuary learns of changes to data or other information (on or</p>

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		<p>before the information date) after some findings have been communicated, but before the report is completed, the actuary should communicate those changes, and their implications, to any intended user to whom the actuary has communicated findings.</p> <p>As shown above, the current disclosure only applies to changes that happened before the information date (but become known to the actuary later). The revision applies to changes up to when the report is issued, which is a significant expansion of the disclosure requirement, and could include events that happen as the report is being finalized. We believe it should be made clear that any “potential implications” disclosed can be a high level discussion and not numeric.</p>
3.4	<p>Add the language in yellow below:</p> <p>Communication of Material Differences—If an actuarial communication contains a materially different actuarial finding from a prior actuarial communication issued by the same actuary on the same topic, the actuary should consider whether it is appropriate to communicate the change to the recipient(s) of the prior actuarial communication.</p>	<p>While we agree that in many cases such a communication will be appropriate, there will be situations in which it is not, and we believe any such communication should be left to the professional judgement of the actuary.</p>

IV. General Recommendations (If Any):

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

V. Signature:

<p>Commentator Signature</p> 	<p>October 25, 2022</p>
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