

Proposed Revision of Actuarial Standard of Practice No. 41:

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 Malerich, Chairperson, Financial Reporting Committee of the American Academy of Actuaries

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

Question No.	Commentator Response
	The Financial Reporting Committee has no comments on the specific questions asked in the Request for Comments.

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)
2.5	Actuarial Services—Professional services provided to a principal by an individual acting in the capacity of an actuary. Such services include the rendering of advice, recommendations, findings, or opinions <u>that depend in whole or in part on the individual's actuarial qualifications</u> based upon actuarial considerations . Such services do not include any other services provided to a principal.	Without a definition of "actuarial considerations," the second sentence does not help to clarify; it merely extends any ambiguity that might remain in this definition. The Financial Reporting Committee recommends replacing it with a reference to actuarial qualifications, for which we have a set of defined standards. Alternatives might be to define "actuarial considerations" or to remove the sentence entirely, leaving the definition with reference to the <u>individual acting in the capacity of an actuary</u> .
3.3.4	Information Date—The actuary should disclose the date(s) through which data or other information has been considered in developing the findings included in the actuarial report. Where the actuarial report is silent about the information date, the actuary <u>should expect a recipient to assume that information date will be assumed to be is current as of</u> the date of the actuarial report.	Use of the passive voice in the closing sentence is ambiguous about who will be making the stated assumption.

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3.3.6.b	actuarial findings provided to another a more senior actuary in an organization who <u>is qualified on</u> has actuarial knowledge about the topic and has adequate knowledge of the context and basis of the findings;	The rank of the other actuary is a poor proxy for the individual's ability to understand the significance of the actuarial findings. Better to focus on qualifications.
3.3.6		The placement of the last two paragraphs could confuse readers. Their content suggests that they belong to §3.3.6 but their alignment suggests that they apply to all of §3.3.
3.4	If an actuarial communication contains a materially different actuarial finding from a prior actuarial communication issued by the same actuary on the same topic, <u>the actuary should consider whether communication of the change might be relevant to the recipient(s) of the prior communication and, if it is,</u> the actuary should communicate the change to the recipient(s) of the prior actuarial communication.	This section is too open-ended. As worded, it could require: <ul style="list-style-type: none"> • Repeated notification of the change from an earlier finding every time another communication is issued with a different finding. • Communication to a different principal even if a change was based on considerations that are specific to the current principal. • Communication to the same or a different principal even if many years have passed since the earlier communication.

IV. General Recommendations (If Any):

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

V. Signature:

Commentator Signature	Date
Steve Malerich	November 1, 2022