

Title of Exposure Draft: Enterprise Risk Management

Comment Deadline: September 15, 2023

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
Timothy Finnie, MAAA, FSA, CERA / The Northwestern Mutual Life Insurance Company

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)
2.19	Change "THREE LINES OF DEFENSE" to "THREE LINES".	The Three Lines of Defense had been a standard model for governance of an organization's ERM framework. In recent years, that model has been updated to the "Three Lines" model, recognizing the value generated by ERM can be more proactive than merely for "defense". See the July 2020 report from the Institute of Internal Auditors titled "The IIA's Three Lines Model: An update of the Three Lines of Defense" for additional background and detail.
3.1	Change "...uses the three lines of defense model, the actuary should understand which line(s) of defense their..." to "...uses the three lines model, the actuary should understand which line(s) their...".	This change continues the recommended terminology change from section 2.19. Rationale is provided there.
4.1.a	Change "...working within the three lines of defense, including..." to "...working within the three lines, including..."	This change continues the recommended terminology change from section 2.19. Rationale is provided there.

IV. General Recommendations (If Any):

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

V. Signature:

Commentator Signature	Date
Timothy Finnie, MAAA, FSA, CERA	September 15, 2023