

**Title of Exposure Draft:**

**Comment Deadline: [Month, Day, Year]**

Title of Exposure Draft: Enterprise Risk Management Exposure Draft - Actuarial Standards Board

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](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
Janet W. Reinke, FSA, MAAA, CFA, Senior Consultant & Actuary, TruStage These comments are being submitted on my own behalf, not on behalf of my employer.

**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	Consider adding a definition for "risk metrics."	Without a definition, "risk metrics" could encompass everything from Values at Risk to in-the-moneyness to the number of risks in the risk register. Since subsection 3.6 includes standards for risk metrics, guidance would be helpful.
2.19	Change "Three Lines of Defense" to "Three Lines Model."	The suggested name avoids the implication that risk-taking is always negative. Also, the "Three Lines of Defense Model" was popularized by the Institute of Internal Auditors. In 2020, the IIA modernized the model and changed the name to "Three Lines Model."
3.6.1.a	Replace "the frequency and severity of the risk" with "the likelihood and severity of the risk."	"Likelihood" is a more appropriate measure for risks that have not materialized. I think of "Likelihood" as the chance or probability that something may happen, while "frequency" measures how often it happens.
4.2.a and 4.2.b ("view" version)	Remove references to section 3.20.	Neither this draft nor ASOP 41 includes a section 3.20.

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problem with pdf)

**IV. General Recommendations (If Any):**

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

**V. Signature:**

Commentator Signature	Date
Janet W. Reinke	September 12, 2023