

Title of Exposure Draft: ASOP No. 12

Comment Deadline: May 1, 2024

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
Daniel M. Karr, ACAS

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)
---------------------------	--	---

Title of Exposure Draft: ASOP No. 12

Comment Deadline: May 1, 2024

3.4	Remove Section 3.4	<p>I propose removing Section 3.4, because Sections 2.8 and 3.5.b are sufficient changes to this ASOP regarding "unintended bias", and because as written, Section 3.4's meaning and application are unclear.</p> <p>Section 3.4 creates far more questions than it answers as to what an actuary should do in different circumstances. For example, can an actuary do very little in regard to considering "unintended bias" to comply with this ASOP? Or should an actuary create thorough nondiscrimination tests to comply with this ASOP? Or somewhere in-between?</p> <p>Additionally, to the extent Section 3.4 would ever be applied to a risk classification framework's compliance with this ASOP, this is not workable because the compliance of a rate classification framework with this ASOP would hinge on an actuary's subjective intent behind a risk classification framework, rather than the objective risk classification framework itself.</p> <p>My comments on ASOP 12 are submitted on my own behalf and are not representative of my employer or any other entity.</p>

IV. General Recommendations (If Any):

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

V. Signature:

Commentator Signature	Date
Daniel M. Karr, ACAS	1/22/2024