

Title of Exposure Draft:

Comment Deadline: [Month, Day, Year]

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
Gary Traicoff - The Progressive Corporation

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)
2.1	Revise adverse selection definition to "Risk characteristics or other information known to or suspected by one party, but not known by the other party, which could adversely impact the effectiveness of a risk classification framework or the viability of the financial or personal security system. Adverse selection is sometimes referred to as 'antiselection'."	The proposed language is not consistent with the definition of adverse selection. Adverse selection is not always the result of choice.
2.5	Revise the Risk Classification Framework definition. "The system, process, or schema used to assign risk subjects to risk classes, based on the risk characteristics of each risk subject and the selected risk measure(s)."	The proposed language does not include any comment related to expected cost in assigning risk subjects to risk classes. A fundamental principle of the actuarial profession should be matching rate to risk.
3.5	Remove this section	Section 1.2 states that "If a conflict exists between this standard and applicable law (statutes, regulations, and other legally binding authority), the actuary should comply with applicable law. Thus, this section seems redundant.

Title of Exposure Draft:

Comment Deadline: [Month, Day, Year]

--	--	--

IV. General Recommendations (If Any):

Commentator Recommendation (Identify relevant sections when possible)	Commentator Rationale (Support for the recommendation)
The below has been removed from the proposed ASOP “Rates within a risk classification system would be considered equitable if differences in rates reflect material differences in expected cost for risk characteristics. In the context of rates, the word <i>fair</i> is often used in place of the word <i>equitable</i> .”	A definition related to equitable and fair rates related to expected cost differences should be included within the framework of following the laws of that specific venue.

V. Signature:

Commentator Signature	Date