

**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](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
Ken Doss, FCAS, MAAA / State Farm Insurance Companies

**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)
2.8	Remove	Current definition is subject to wide differences in interpretation because it is overly broad. I don't believe the term should be used in a statistical context as it's more commonly used to refer to societal or stereotypical behaviors
3.4	Either remove <u>or</u>  Adjust to read:  POTENTIAL FOR UNFAIR DISCRIMINATION IMPACTING PROTECTED CLASSES  The actuary may consider the potential for unfair discrimination impacting protected classes, as appropriate within the scope of the actuary's assignment.	Would prefer removal of this section as it's covered within 1.2 and the definition of unintended bias is overbroad and not relevant within a statistical context  If there's a desire to retain this section as it is an emerging topic, would recommend removal of the "unintended bias" term and relating it to unfair discrimination to protected classes
3.5	Remove section	This is captured within 1.2 where it's mentioned that "the actuary should comply with applicable law", so is redundant and unnecessary
3.2.3	Remove "The actuary should have a rational explanation that the relationship between a risk	It's unclear why the wording was changed and I don't believe it's an improvement to the prior wording.

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	<p>characteristic and a risk measure is not obscure, irrelevant, or arbitrary.”</p> <p>Replace with prior wording of “The actuarial should select risk characteristics that are related to expected outcomes. A relationship between a risk characteristic and an expected outcome, such as cost, is demonstrated if it can be shown that the variation in actual or reasonably anticipated experience correlates to the risk characteristic.”</p>	<p>Several new words are undefined, can be interpreted broadly, and it doesn’t provide additional clarity when compared to the prior wording.</p>
3.2.7	<p>Replace “should” with “may”</p>	<p>Several of the examples in a and b are items that “should” be considered by the actuary, but there are other items, like market acceptance, that I believe “may” be considered. Existing and potential future variables might not yet have broad market acceptance, but are predictive of risk, so may not be accounted for in the consideration for risk classification.</p>

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

Commentator Recommendation (Identify relevant sections when possible)	Commentator Rationale (Support for the recommendation)
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**V. Signature:**

Commentator Signature	Date
Ken Doss	April 29, 2024