

# Title of Exposure Draft: Analysis of Life, Health, or Property/Casualty

## Insurance Cash Flow Risk

**Comment Deadline: June 1, 2024**

Instructions: Please review the exposure draft, and give the ASB the benefit or 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   |
| Mary Beth O’Keefe, FCAS / Zurich American Insurance Company, comments based on a group review of the ASOP |

### II. ASB Questions (If Any). Responses to any transmittal memorandum questions should be entered below.

| Question No. | Commentator Response   |
|--------------|--|
| 1.a.i        | Yes. However, the use of the terms “specific to investments” at the end of the first scope paragraph seems to contradict this. |
|              |  |
|              |  |

### 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)   |
|---|---|--|
| Item 1 in the “Notable Changes” section |   | The first sentence does not appear to be true.   |
| 2.2 Cashflow                            | Any receipt, disbursement, or transfer of cash or asset equivalents; includes Property & Casualty claim payments, policy cash flows and cash flows that are not policy related, such as cash flows from assets, corporate expenses, letters of credit, off-balance sheet items, and litigation costs. | As P&C business is being considered now, it seems appropriate to refer to claim payments to third parties. |
| 3.2.1.c                                 | policy-related assets, such as policy loans, deferred premiums and deductible amounts;  | As P&C business is being considered now, it seems appropriate to refer to deductible recoveries.           |
| 3.2.2.c                                 |   | It was unclear to us what this represented.  |

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

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**Insurance Cash Flow Risk**

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| Commentator Recommendation<br>(Identify relevant sections when possible)   | Commentator Rationale<br>(Support for the recommendation)                             |
|--|---|
| Include a reference ASOP 11 Treatment of Reinsurance or Similar Risk Transfer Programs Involving Life Insurance, Annuities, or Health Benefit Plans in Financial Reports in this ASOP. | As this ASOP now includes reinsurance, it may make sense to refer to ASOP 11 as well. |
|  |   |

**V. Signature:**

| Commentator Signature   | Date      |
|-------------------------|-----------|
| Mary Beth O'Keefe, FCAS | 4/26/2024 |