

Title of Exposure Draft: Enterprise Risk Management

Comment Deadline: November 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
Brent Carpenetti (NOT on behalf of my current employer: Hannover Life Reassurance Company of America)

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

Question No.	Commentator Response
n/a	n/a

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)
3.11	<p>Rename: Premises and Reliance</p> <p>Adding Language: When relying on Another Party, the actuary should {... keep current...}.</p> <p>When assumptions, inputs or other premises (such as director behavior and preferences in scenario specific responses) are created by the actuary, sufficient evidence should be provided to support the choice of assumptions, including an assessment of their appropriateness and potential limitations.</p>	<p>The prior draft included guidance under section 3.12, providing specifics on selecting assumptions (e.g., "Selecting a Mortality Assumption" or "Selecting a Risk-Specific Assumption"). In the current draft, section 3.11 generalizes "Reliance on Another Party," but clarity on assumption development and validation requirements could be strengthened. For example, when an actuary must develop assumptions for section 3.8.1 parts (a) through (d), the level of responsibility and evidence required to substantiate these assumptions is not clearly defined. This could lead to inconsistencies in actuarial practice regarding the rigor applied in assumption development.</p>

IV. General Recommendations (If Any):

Commentator Recommendation (Identify relevant sections when possible)	Commentator Rationale (Support for the recommendation)
Scope section may need clarification	The scope does not identify if this is applicable only to insurance ERM frameworks or to emerging practice in non-insurance ERM applications as well.

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V. Signature:

Commentator Signature	Date
Brent W Carpenetti	1 November 2024