

**Title of Exposure Draft: ASOP 39 Treatment of Catastrophe or Extreme Event Losses in Future Cost Estimates for Property/Casualty Risk Transfer and Risk Retention**

**Comment Deadline: June 1, 2025**

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
Joseph Izzo FCAS, MAAA / Verisk Analytics

**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	The wording of the last clause should be clearer.	Does "commencing" refer to the losses or the underlying event? Consider using "incurred" instead of "commencing" if referring to the losses.
3.3	Replace the colon after "event" with a comma.	
3.3	This section would benefit from illustrative examples.	The instructions are so abstract as to be obscure.
3.4.1	Please add "advisory organizations" to the list of data sources.	
3.4.3	The references to sections 3.3.1 and 3.3.2 should be replaced with 3.4.1 and 3.4.2	
3.6	"When developing . . . for casualty. . . the actuary <u>may wish to consider methods other</u> than those described in section 3.34. . . This section does not preclude use in non-casualty applications of methods other than those described in section 3.4"	The current wording implies that, in the context of non-casualty catastrophes or extreme events, the actuary <i>may not use</i> methods other than those described in section 3.4.  The exposure draft references section 3.3 here, but we believe 3.4 is intended.
3.11	"The actuary should be satisfied that the future cost estimates reflect a reasonable frequency and	

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	severity distribution of catastrophes <u>or</u> extreme events, <u>as applicable.</u> "	
4.1.e	a. any other methods used to estimate future costs <del>for casualty coverages</del> including but not limited to methods used to estimate future costs for casualty coverages (see section 3.6);	Current wording implies that in non-casualty contexts, methods other than those listed in Section 3.4 are strictly proscribed by the standard—which they should not be.

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

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

**V. Signature:**

Commentator Signature	Date
See the next page.	April 22, 2025

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