

**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<sup>st</sup>, 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
Steven Armstrong on behalf of Allstate Insurance Company actuaries

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

Question No.	Commentator Response
1	The exposure draft sufficiently covers the approaches to estimating future costs of catastrophes or extreme events.
2	Yes.
3	Yes.

**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)
2.5	N/A	The definition of scenario analysis may benefit from a possible example to provide additional clarity.
3.4.1.1	"In addition, the actuary should consider if the historical data is a reasonable expectation of the future long-term average for perils seeing rapid changes (such as cyber, perils affected by climate change, or terrorism.)"	Adding this sentence would acknowledge the need to consider that frequency of and severity of some perils are changing with some catastrophe perils and the need for the actuary to understand if the historical data is reasonable expectation of changing environment.
3.4.3	If, after considering the items contained in section 3.3.1 and 3.3.2,...	The references are slightly off in the exposure draft.
Section 4	Add "Section 4: Communications and Disclosures" title before 4.1	This would be consistent with structure of ASOPs.

**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
Steven Armstrong, FCAS, MAAA	6/2/2025