

Appendix

Comments on the First Exposure Draft and Responses

The first exposure draft of the proposed revision of ASOP No. 41, *Actuarial Communications*, was issued in June 2022 with a comment deadline of November 1, 2022. Thirty-eight comment letters were received, some of which were submitted on behalf of multiple commentators, such as by firms or committees. For purposes of this appendix, the term “commentator” may refer to more than one person associated with a particular comment letter. The ASOP No. 41 Task Force of the Actuarial Standards Board (ASB) carefully considered all comments received, and the ASB reviewed (and modified, where appropriate) the changes proposed by the task force.

Summarized below are the significant issues and questions contained in the comment letters and the responses. Minor wording or punctuation changes that were suggested but not significant are not reflected in the appendix, although they may have been adopted.

The term “reviewers” in the appendix includes the ASOP No. 41 Task Force and the ASB. The section numbers and titles used in the appendix refer to those in the first exposure draft, which are then cross referenced with those in the new exposure draft.

TRANSMITTAL MEMORANDUM	
Question 1: Are the distinctions among actuarial communications, actuarial reports, and actuarial documentation clear? If not, what further clarifications would you recommend for the definitions?	
Comment	Of the 23 comment letters that responded to this question, 13 found the distinctions clear and 10 did not. The common issues raised by the commentators were that the distinctions are not clear since some items appear to be subsets of other items, additional examples are needed to improve clarity, and additional clarity is needed for oral and electronic communications. Commentators also raised concerns about requirements for internal peer review.
Response	The reviewers updated the guidance to remove the separate definition of oral communications. The reviewers did not add examples to the guidance as no set of examples will be fully representative.
Question 2: Section 3.3.3(b) (now section 4.1[n]) introduces a proposed new “positive” disclosure requirement for an assumption or method not selected by the actuary that does not significantly conflict with what, in the actuary’s professional judgment, would be reasonable for the purpose of the assignment. This would supplement the current “negative” disclosure requirement for an assumption or method that does significantly conflict. Is “significantly conflict” the appropriate disclosure language, as opposed to “reasonable”/“unreasonable” or some other terminology?	
Comment	Of the 18 comment letters that responded to this question, the vast majority agreed with the “positive” disclosure requirement. The majority agreed with “significantly conflict” while some preferred “reasonable/unreasonable” or “materially conflict.”

GENERAL COMMENTS	
Comment	One commentator requested that the standard explicitly state it applies to internal work.
Response	The reviewers agree and added a phrase in the definition of “intended users” to clarify that the standard applies to internal work.
Comment	One commentator requested that the standard explicitly describe its applicability to social media and white papers.
Response	The reviewers refer to the definition of “actuarial communication,” which includes communication in any form. Therefore, no change was made in response to this comment.
Comment	Several commentators requested that specific requirements be made for departments of insurance whether or not the personnel are actuaries.
Response	The reviewers note the ASOPs apply to actuaries who are members of one of the five U.S.-based actuarial organizations and that any guidance intended for others is beyond the scope of the ASOP.
Comment	Several commentators requested that the reviewers consider consistency with ASOP Nos. 23, <i>Data Quality</i> , and 56, <i>Modeling</i> , as related to documentation.
Response	The reviewers considered consistency with other ASOPs and have adjusted some wording throughout the standard related to ASOP Nos. 23 and 56. However, the reviewers note that ASOPs may also have disclosure requirements for specific assignments, and those disclosure requirements will still apply.
Comment	One commentator asked for consistency regarding the definition of “statements of actuarial opinion in the USQS.”
Response	The reviewers note that this standard applies to actuarial communications and section 1.2, Scope, refers the actuary to the U.S. Qualification Standards.
SECTION 1. PURPOSE, SCOPE, CROSS REFERENCES, AND EFFECTIVE DATE	
Section 1.2, Scope	
Comment	Several commentators suggested changing “should” to “must” when describing compliance with applicable law in this section.
Response	The reviewers agree and made the change.
Comment	One commentator asked for clarification in this section, regarding whether the standard applies to retired actuaries and whether the actuary determines if the communication is an actuarial communication.
Response	The reviewers note that the standard applies when an actuary is making an actuarial communication. An actuarial communication is defined in the <i>Code of Professional Conduct</i> (Code). Making an actuarial communication is not limited by employment status or by the actuary making a statement about whether a communication related to actuarial services is or is not an actuarial communication. Therefore, no change was made.

Comment	One commentator asked if an actuary who reviews actuarial communications is expected to comment on whether the actuarial communication follows the guidance in ASOP No. 41 and the commentator also suggested clarifying this section.
Response	The reviewers note that if the reviewing actuary makes an actuarial communication, the reviewing actuary's communication is within the scope of the standard. Whether the reviewing actuary comments on whether the reviewed actuarial communication materially follows the guidelines of ASOP No. 41 is determined not by ASOP No. 41 but by the facts and circumstances of the reviewing actuary's assignment. Therefore, no change was made.
Section 1.4, Effective Date	
Comment	Several commentators request that the effective date be longer than 4 months after adoption by the ASB.
Response	The reviewers made no change in response to this comment.
SECTION 2. DEFINITIONS	
Comment	One commentator recommended adding a definition for "actuarial considerations."
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment.
Section 2.1, Actuarial Communication	
Comment	Two commentators requested that the definition of "electronic communications" be clarified, potentially through a separate definition or by adding the definition of "oral communications" to this section, and bolding both electronic and oral communication throughout. Another commentator requested that the definition of "electronic communications" be clarified and that the clarification address the interaction of electronic and oral communications as well as actuarial reports. Another commentator requested that a definition of "oral communication" consistent with "electronic communication" be added to this section.
Response	The reviewers considered these comments regarding the placement and definitions of "electronic communications" and "oral communications" and removed the definition of "oral communications." The reviewers did not believe a separate definition for "electronic communication" was needed.
Comment	One commentator requested that "recorded actuarial communication" be moved from the definition of Actuarial Report (Section 2.4) to Section 2.1, Actuarial Communication.
Response	The reviewers disagree and made no change in response to this comment.
Comment	One commentator provided an alternative definition of "actuarial communication" that described the delivery mechanism of the communication rather than expanding on the meaning of electronic communication.
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment.

Section 2.2, Actuarial Documentation	
Comment	One commentator suggested deleting, “Such documentation may include documents that are not part of an actuarial report.”
Response	The reviewers removed this section and all reference to “actuarial documentation” in the standard since the term leads to confusion with the definition of “actuarial report.” The reviewers note that not all actuarial documentation may be an actuarial communication or part of an actuarial report.
Comment	Two commentators requested additional examples.
Response	The reviewers removed this section and all reference to “actuarial documentation” in the standard since the term leads to confusion with the definition of “actuarial report.” The reviewers note that not all actuarial documentation may be an actuarial communication or part of an actuarial report.
Section 2.3, Actuarial Finding (now section 2.2, Actuarial Conclusions)	
Comment	Several commentators recommended that “findings” be replaced with an alternative word, such as “conclusions.”
Response	The reviewers changed “actuarial finding” to “actuarial conclusions” and added several examples of analyses that may result in actuarial conclusions.
Section 2.4, Actuarial Report (now section 2.3)	
Comment	One commentator recommended a revised definition of “actuarial report” to be clearly related to “recorded communications.”
Response	The reviewers clarified the definition of “actuarial report.”
Comment	Several commentators considered the use of the phrase “as a report” to be circular.
Response	The reviewers changed the definition and eliminated the use of “report.”
Comment	One commentator provided an alternative definition for a “recorded communication,” while another recommended making “recorded communication” a separate definition.
Response	The reviewers modified the guidance in response to this comment and removed the word “recorded” from the definition.
Comment	One commentator recommended adding the sentence “all actuarial reports are actuarial communications and are therefore subject to all requirements of this ASOP.”
Response	The reviewers modified the language in response to this and other comments.
Comment	One commentator considered the use of the word “report” as unclear and the use of the word “permanent” as too definitive and offered alternative wording.
Response	The reviewers modified the language in response to this and other comments.
Comment	One commentator recommended referencing “actuarial documentation” in this section.
Response	The reviewers disagree and made no change. The reviewers note that the term “actuarial documentation” has been removed from the standard.
Comment	One commentator requested further clarification regarding when a written actuarial communication is not an actuarial report.
Response	The reviewers revised the definition.

Section 2.5, Actuarial Services (now section 2.4)	
Comment	Several commentators recommended removing the last sentence in this section to be consistent with the same definition in ASOP No. 1, <i>Introductory Actuarial Standard of Practice</i> .
Response	The reviewers agree and removed the last sentence.
Comment	One commentator suggested that “actuarial considerations” be defined.
Response	The reviewers do not believe a definition for “actuarial considerations” was needed and made no change in response to this comment.
Comment	Several commentators recommended alternative wording for the second sentence of this section.
Response	The reviewers note that the first two sentences of this definition are consistent with the definition of “actuarial services” in ASOP No. 1 and in the Code, and therefore made no change in response to these comments.
Comment	One commentator recommended alternative wording to the last sentence to clarify the term “other services.”
Response	The reviewers removed the last sentence to be consistent with the same definition in ASOP No. 1 and the Code.
Section 2.6, Intended User (now section 2.5)	
Comment	One commentator noted that the stakeholders and thus the intended users of a document often go beyond the actuary’s principal and recommended wording to address this broad set of intended users.
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment.
Comment	One commentator noted that the intended user may often be a company or organization and not an individual person. The commentator recommended expanding the language to include “or entity.”
Response	The reviewers agree and made the change.
Section 2.7, Oral Communication	
Comment	Several commentators noted potential confusion particularly when oral communications are recorded and recommended alternative wording for the definition.
Response	The reviewers removed this section and used the term “oral communications” only in the definition of “Actuarial Communication” where the common place definition would be understood.
Section 2.9, Principal (now section 2.8)	
Comment	One commentator was concerned that the principal may not always pay fees or salary to the actuary when pro bono work is considered and recommended adding a definition of “client” as part of the definition of “principal.”
Response	The reviewers note that the definition of “principal” in the standard and in the Code are the same and made no change.

SECTION 3. ANALYSIS OF ISSUES AND RECOMMENDED PRACTICES	
Section 3.1, Requirements for Actuarial Communications (now sections 3.1-3.6)	
Comment	One commentator suggested that allowing subsequent compliance with this section should apply not just to oral communications.
Response	The reviewers note that the subsequent compliance guidance has been removed in conjunction with revisions to sections 3.1-3.6.
Section 3.1.1, Form and Content (now section 3.1, Clarity, Form, and Content)	
Comment	One commentator recommended adding examples of potential formats for an actuarial communication such as spreadsheets, memorandum, and presentations.
Response	The reviewers note that the definition of “actuarial communication” is consistent with the Code, may include the example formats listed by the commentator, and made no change.
Comment	One commentator thought that adding the words “sufficient and relevant” to this section added confusion rather than clarity.
Response	The reviewers agree and removed the wording.
Section 3.1.2, Clarity (now section 3.1, Clarity, Form, and Content)	
Comment	One commentator recommended replacing the term “intended users” with “needs of the intended users” to provide additional stress on sufficiency of the information provided.
Response	The reviewers revised the language and combined guidance on clarity with guidance on form and content.
Section 3.1.3, Timing (now section 3.2)	
Comment	One commentator recommended removing or clarifying this section.
Response	The reviewers clarified the language.
Comment	Several commentators recommended adding more clarity around reasonable timing and provided alternative wording.
Response	The reviewers agree and revised the language.
Comment	One commentator recommended removing this section because being timely is common sense.
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment.
Section 3.1.4, Identification of Responsible Actuary (now section 3.5, Responsibility of the Actuary)	
Comment	One commentator recommended changing the wording in the last sentence from “is available” to “is or is not available.”
Response	The reviewers believe that the phrase “the extent to which the actuary is available” implies both being and not being available and made no change in response to this comment.
Comment	One commentator recommended removing the exception related to disclosing all the actuaries responsible for the communication when the actuary determines it is inappropriate to disclose all the responsible actuaries.
Response	The reviewers agree and modified the guidance.

Comment	One commentator recommended changing the language of the last sentence to a positive statement, replacing “unless the actuaries determine it inappropriate to do so” with “when appropriate.”
Response	The reviewers modified the language in this section.
Comment	One commentator was concerned that the last sentence conflicted with the Code.
Response	The reviewers agree and modified the language in this section.
Section 3.1.5, Uncertainty or Risk (now section 3.4)	
Comment	Several commentators recommended replacing the term “cautions” with a less biased term such as “findings” or “disclosure.”
Response	The reviewers revised the language.
Comment	One commentator recommended adding “significant” before “uncertainty or risk.”
Response	The reviewers disagree but clarified the language.
Comment	One commentator recommended replacing “associated with the actuarial findings” with “that may reasonably be anticipated to significantly affect the actuarial findings” to be consistent with ASOP No. 51, <i>Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions</i> .
Response	The reviewers disagree with the suggested change but clarified the language .
Section 3.1.6, Interim Communications	
Comment	One commentator recommended clarifying the terms “key” and “significantly later.”
Response	The reviewers removed this section.
Comment	One commentator recommended adding “or subsequent to” before “the interim actuarial communication” since disclosure might be made after an oral communication.
Response	The reviewers removed this section.
Section 3.2, Oral Communications	
Comment	Two commentators found the wording in this section related to providing certain information subsequent to the oral communication unclear.
Response	The reviewers agree and removed the oral communication section.
Comment	Several commentators requested that the wording related to complying in this section subsequent to issuing an oral communication “should” be required rather than “may” be required.
Response	The reviewers removed this section.
Comment	One commentator recommended moving the guidance in this section to a new section to further clarify informal communications.
Response	The reviewers removed this section.
Comment	One commentator suggested that oral communications are more interactive and not “issued,” and recommended changing the definition of oral communication.
Response	The reviewers removed the definition of “oral communications.”
Comment	Several commentators requested clarification, suggesting that providing the same information to the

Response	same intended users might lead to duplicative documentation. The reviewers removed this section.
Comment	One commentator requested retaining within this section the language in the existing ASOP No. 41 that reminds the actuary that oral communication might be passed on to other parties and, therefore, the actuary should consider following up with written communication.
Response	The reviewers agree and included similar language in the revised section 3.1.
Comment	One commentator pointed to the less formal nature of oral communications and recommended adjusting the language regarding that consideration.
Response	The reviewers removed this section.
Section 3.3, Requirements for an Actuarial Report (now section 3.6, Actuarial Report)	
Comment	One commentator requested examples of reports and communications be included in this section.
Response	The reviewers believe that examples related to reports and communications would not provide significant additional clarity.
Comment	One commentator recommended the title “When an Actuarial Report Should be Issued.”
Response	The reviewers renamed the section “Actuarial Report.”
Comment	Two commentators suggested removing the phrase “will have a material effect on the intended user” in the description of when to issue an actuarial report since the actuary may not know if the effect is material.
Response	The reviewers agree and removed this language.
Comment	One commentator was concerned about disclosure requirements being in ASOP No. 41 and each ASOP.
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment.
Comment	One commentator recommended moving the reference to multiple documents from this section to the end of section 4.2, Required Disclosures in an Actuarial Report.
Response	The reviewers agree and made this change.
Comment	Several commentators suggested clarifications related to preparing actuarial reports for every actuarial finding.
Response	The reviewers revised the language in section 3.6.
Comment	One commentator suggested transitional language within the first paragraph related to the requirements described within section 3.3.
Response	The reviewers note that many of the requirements of former section 3.3 have been moved to section 4.1.
Comment	One commentator recommended adding a subsection to this section with commentary that not every report will satisfy every aspect described.
Response	The reviewers note that many of the requirements of former section 3.3 have been moved to section 4.1, which includes guidance regarding omission of disclosures.

Comment	One commentator recommended changing “Requirements” to “Guidance” in the title of this section.
Response	The reviewers renamed the section “Actuarial Report.”
Section 3.3.1, Sufficient Clarity (now section 4.1.[i])	
Comment	One commentator suggested adding “models” in this section in addition to methods, procedures, assumptions, and data.
Response	The reviewers agree and added the word “models.”
Section 3.3.2, Conflict of Interest	
Comment	One commentator said that prior language related to the materiality of the compensation should be retained in this section.
Response	The reviewers removed this section.
Comment	One commentator recommended deleting the sentence related to the actuary acting as an advocate.
Response	The reviewers removed this section.
Comment	One commentator recommended that this section point the actuary to Precept 7 of the Code and clarify that the conflict should be disclosed. In addition, the commentator also expressed concern related to the use of the word “advocate.” Another commentator recommended that the disclosure related to conflict of interest be made to the intended user and to replace the word “advocate” with “neutral party.”
Response	The reviewers removed this section.
Section 3.3.3, Responsibility for Assumptions and Methods	
Comment	One commentator recommended replacing the words “will be assumed to” with “is declared to” in this section and section 3.3.4, Information Date.
Response	The reviewers considered the many recommendations for this section from multiple commentators and kept “will be assumed to” in section 3.6, Actuarial Report.
Comment	Numerous commentators recommended that this section be clearer on whether disclosure relates to all assumptions or only material assumptions.
Response	The reviewers note that ASOP No. 1 addresses “materiality.” However, due to the number of comments regarding “materiality,” the reviewers added the word “material” in section 3.6 and 4.1(n).
Comment	One commentator found the distinctions in this section related to disclosures in actuarial reports compared with actuarial communications to be confusing and hard to implement.
Response	The reviewers considered the commentator’s concerns along with other related comments and consolidated the disclosure requirements for an actuarial report into section 4.
Comment	Several commentators requested clarification of the interaction between this section and section 3.5, Risk of Misuse (now section 3.3).
Response	The reviewers clarified the language . The reviewers believe that examples related to risk of misuse would not provide significant additional clarity and that actuarial judgment should be applied.
Comment	Several commentators requested clarification of the interaction between this section and section 3.3.6, Limitation of Content of an Actuarial Report.
Response	The reviewers clarified the language in both sections and moved the limitation of content guidance to

	the end of section 4.1.
Comment	Several commentators requested clarification on the interaction of documenting assumptions affirmatively with the reliance on others.
Response	The reviewers revised the language.
Comment	One commentator recommended edits in the first paragraph to clarify that the actuary is the subject taking responsibility rather than the report.
Response	The reviewers agree and revised the language.
Comment	One commentator recommended modified language to reduce the listing of prescribed assumptions within the report when there may be many prescribed assumptions that the actuary may consider reasonable.
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment.
Comment	One commentator recommended a broader title for this section to include “other items and inputs that materially impact findings” to clarify that this relates to more than assumptions and methods.
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment.
Comment	One commentator expressed concern that the phrase “silent about such responsibility” would require disclosure of all assumptions not just material assumptions.
Response	The reviewers removed the phrase and revised the language (now in sections 3.5 and 4.1[n]) to emphasize that the actuary assumes responsibility for all material assumptions unless otherwise disclosed.
Comment	One commentator suggested removing “responsibility” since an actuary is expected to be responsible.
Response	While the reviewers understand that the actuary is expected to be responsible, the word was retained.
Comment	One commentator suggested adding guidance in this section for cases where the actuary believes the assumptions or methods promulgated by law may be inappropriate.
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment.
Comment	One commentator was concerned that the use of the term “prescribed by law” would be confusing when a method or assumption is prescribed by a regulation rather than a law.
Response	The reviewers added a definition of “prescribed assumption or method set by law” that includes regulations.
Comment	One commentator said that assumptions fall into two categories: 1) prescribed by law and 2) all other and requested that the language reflect that.
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment.
Comment	One commentator said that this section did not reflect the situation within an insurance company where different colleagues or departments may be separately assigned to develop particular assumptions or prepare an analysis based on particular methods.
Response	The reviewers believe the guidance is appropriate but clarified the language.

Comment	One commentator recommended using the term “prescribed assumption or method set by law” to be consistent with ASOP Nos. 4, <i>Measuring Pension Obligations and Determining Pension Plan Costs or Contributions</i> ; 27, <i>Selection of Economic Assumptions for Measuring Pension Obligations</i> ; and 35, <i>Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations</i> .
Response	The reviewers agree and changed the terminology from “assumption or method prescribed by applicable law” to “prescribed assumption or method set by law.” In addition, “prescribed assumption or method set by law” was added as a defined term. The definition was modified from the definition included in ASOP Nos. 4, 27 and 35 to be appropriate for all practice areas.
Comment	One commentator recommended “applicable law” in section 3.3.3(a)(1) be changed to “reference to applicable law” to make it clearer that the text of the entire law is not required.
Response	The reviewers agree and made the change in section 4.1(m).
Comment	One commentator recommended “the actuary is responsible for all assumptions” in section 3.3.3(b) (now section 4.1[n]) be changed to “the actuary is declaring responsibility for all assumptions.”
Response	The reviewers clarified the language.
Comment	One commentator requested further clarification of “another party” in section 3.3.3(b) (now section 4.1[n]) stating that the term is unclear about actuaries within the same supervisory structure of the responsible actuary.
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment.
Comment	Several commentators recommended removing section 3.3.3(b)(1-5).
Response	The reviewers disagree and retained this guidance (now in section 4.1[n]). However, the reviewers clarified the guidance.
Comment	One commentator noted that individual assumptions in section 3.3.3(b)(4) may be reasonable but the cumulative impact may not, and therefore requested that checking for the cumulative impact of assumptions be added.
Response	The reviewers believe the guidance is appropriate based on the scope of the standard and made no change in response to this comment.
Comment	One commentator recommended that “all other” criteria be added to section 3.3.3(b)(5) for unusual circumstances.
Response	The reviewers believe the guidance is appropriate but clarified the language , and note that limitation of content guidance at the end of section 4.1 addresses unusual circumstances.
Comment	One commentator recommended that the words, “The actuary has reviewed the assumption or method and finds that it is reasonable” be added as an option to section 3.3.3(b)(5).
Response	The reviewers agree and revised the wording (now in section 4.1[n])[5][i]).
Comment	One commentator recommended removing the modifier “significantly” before “conflict(s)” in section 3.3.3(b)(5)(i) and (ii)
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment.
Comment	One commentator recommended modifying section 3.3.3(b)(5)(ii) since the situation does not seem likely to occur.
Response	The reviewers disagree and made no change.

Comment	One commentator recommended changing “significantly conflicts” to “is unreasonable” in section 3.3.3(b)(5)(ii).
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment.
Comment	One commentator recommended changing “does not significantly conflict” to “is not unreasonable” in section 3.3.3(b)(5)(i).
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment.
Comment	One commentator recommended rewording section 3.3.3(b)(5)(iii).
Response	The reviewers revised the language that related to the inability to judge the reasonableness of an assumption or method (now section 4.1[n][5][iv]).
Comment	One commentator requested removing the wording “a substantial amount of work” from section 3.3.3(b)(5)(iii).
Response	The reviewers revised the language to require the actuary to disclose why the actuary was unable to judge the reasonableness of the assumption or method (now in section 4.1[n][5][iv]).
Comment	One commentator recommended alternative language to section 3.3.3(b)(5)(i.-iv.) to focus on the purpose of the assignment and to emphasize that the actuary takes ownership of the work product.
Response	The reviewers believe that the guidance is appropriate based on the scope of the standard. However, the reviewers clarified the language (now in section 4.1[n][5][i-iv]).
Section 3.3.4, Information Date (now section 2.6)	
Comment	Several commentators found that the sentence, “where the actuarial report is silent about the information date, the information date will be assumed to be the date of the actuarial report,” was not clear or not necessary.
Response	The reviewers agree and removed the sentence.
Comment	One commentator recommended using the defined term “actuarial findings” or “measurement date” from ASOP No. 4.
Response	The reviewers disagree and retained the term “information date.” The reviewers also introduced the term “actuarial conclusions.”
Section 3.3.5, Subsequent Events (now section 2.9 and section 4.1[j])	
Comment	One commentator suggested rewording this section to include the last sentence related to the potential implications discussed in the beginning of this section.
Response	The reviewers agree and revised the language.
Comment	One commentator suggested adding the words “to the extent practical” to the beginning of the section.
Response	The reviewers considered that practical considerations are implied as set forth in ASOP No. 1 and, therefore, made no change in response to this comment.
Comment	One commentator requested that the language be explicit in this section, suggesting that the disclosure related to a relevant subsequent event’s potential implications need not be numeric and may be brief.
Response	The reviewers considered this comment but did not believe that the guidance, as written, required a disclosure that was numeric or was not brief, and made no change in response to this comment.

Comment	One commentator suggested adding a provision for providing commentary on subsequent events after a report has been finalized.
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment.
Comment	One commentator requested changing “potential implications” to “potential material effect on actuarial findings.”
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment.
Comment	Several commentators requested that the word “finalize” be changed to “issued” in sections 3.3.5(b) and (d).
Response	The reviewers agree and revised the language accordingly.
Comment	One commentator said that if the report is revised because of a subsequent event, the subsequent event should be disclosed. Furthermore, the commentator believed the report should be revised, if not, the reason for not doing so should be disclosed.
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment.
Section 3.3.6, Limitation of Content of an Actuarial Report (now last paragraph of section 4.1)	
Comment	One commentator said that the placement of the last two paragraphs was confusing, as it was not clear whether those paragraphs applied to all of section 3.3, Requirements for an Actuarial Report, or only to section 3.3.6, Limitation of Content of an Actuarial Report.
Response	The reviewers agree, removed this section, and added clarifying language to section 4 in response to this comment.
Comment	One commentator recommended that this section clarify circumstances when the information within an actuarial report may be limited.
Response	The reviewers removed this section and added clarifying language to section 4 in response to this comment.
Comment	One commentator suggested removing the phrase “or the need for an actuarial report” and expanding the language of section 3.3, Requirements for an Actuarial Report, about when a report is needed.
Response	The reviewers removed this section and added clarifying language to section 4 in response to this comment.
Comment	One commentator suggested removing references to not issuing an actuarial report.
Response	The reviewers agree, removed this section, and added clarifying language to section 4 in response to this comment.
Comment	One commentator recommended changing “certain circumstances” to “certain actuarial communications.” In addition, the commentator noted that the term “actuarial work” is not defined and that the description of the examples needed greater clarity.
Response	The reviewers agree, removed this section, and added clarifying language to section 4 in response to this comment.

Comment	One commentator was concerned that it is not clear whether actuarial reports are needed for internal communications.
Response	The reviewers removed this section and added clarifying language in section 3.6 and section 4 in response to this comment.
Comment	One commentator recommended revising the language to take into account the applicable law related to retaining documentation.
Response	The reviewers removed this section.
Comment	One commentator requested a specific example be added to this section to apply to reports that reference other reports that may not be included within the core report.
Response	The reviewers removed this section and added clarifying language to section 4 in response to this comment.
Comment	Several commentators suggested adjusting the example in section 3.3.6(a) into two components: one for internal, and one for larger projects. Another commentator suggested adding an example to this section related to limited scope engagements.
Response	The reviewers removed this section and added clarifying language to section 4 in response to these comments.
Comment	One commentator recommended changing section 3.3.6(b) to include the “intended user.”
Response	The reviewers agree, removed this section, and added clarifying language to section 4 in response to this comment.
Comment	Several commentators felt that the reference to a senior actuary in section 3.3.6(b) does not reference the qualifications of this intended user.
Response	The reviewers agree, removed this section, and added clarifying language to section 4 in response to this comment.
Comment	Several commentators found the example in section 3.3.6(d) related to internal brainstorming sessions to be awkward.
Response	The reviewers agree and removed this example.
Section 3.4, Communication of Material Differences (now section 4.1[o])	
Comment	Several commentators found the language too general and provided suggestions.
Response	The reviewers revised the language and moved to section 4.
Comment	One commentator suggested that communication of material differences described in this section should be made based upon actuarial judgment.
Response	The reviewers clarified the language and moved to section 4.
Comment	One commentator recommended that the language be clarified to state that the prior communication was one to which the actuary has access.
Response	In response to this comment and several other related comments, the reviewers clarified the language and moved it to section 4.

Comment	Two commentators were concerned with the use of the word “recipient” rather than intended user.
Response	The reviewers clarified the language and removed the word “recipient.”
Comment	One commentator was concerned with the form of the communication of the disclosures related to material differences.
Response	The reviewers clarified the language and moved it to section 4.
Comment	One commentator recommended restoring the phrase “making it clear that the earlier results and opinion are no longer valid and explaining why they have changed.”
Response	The reviewers agree and added clarifying language to section 4 in response to this comment.
Comment	One commentator recommended changing the word “recipient” to “intended user” and moving this section into section 3.3, Requirements for an Actuarial Report.
Response	The reviewers clarified the language , removed the word “recipient,” and moved the language to section 4.
Comment	One commentator recommended changes to clarify that an actuary does not need to track down all recipients of the prior communication.
Response	The reviewers clarified the language and moved to section 4.
Comment	One commentator recommended moving sections 3.4 through 3.7 before section 3.3 because sections 3.4 through 3.7 apply to all actuarial communications and section 3.3 applies only to actuarial reports.
Response	The reviewers agree, rearranged section 3, and moved language related to required disclosures to section 4.
Section 3.5, Risk of Misuse (now section 3.3)	
Comment	Several commentators requested examples related to the risk of misuse.
Response	The reviewers clarified the language but believe that examples related to the risk of misuse would not provide significant additional clarity.
Section 3.6, Reliance on Other Sources	
Comment	Several commentators recommended defining “other sources” in the title of this section. Several other commentators recommended that “other sources” be clarified.
Response	The reviewers removed this section.
Section 3.7, Actuarial Documentation	
Comment	One commentator suggested including a specified retention period.
Response	The reviewers removed this section.
Comment	One commentator recommended that the language refer to the amount of retained documentation that allows the actuary to explain and replicate their work.
Response	The reviewers removed this section.
Comment	One commentator said that maintaining documentation is not optional and suggested changing the words “should consider” to “should.”
Response	The reviewers removed this section.

Comment	One commentator requested the prior language, “An actuary should consider retaining sufficient information for any recurring project so that another actuary could assume the assignment,” be reinstated.
Response	The reviewers removed this section.
Comment	One commentator requested clarification regarding retained documentation not being required to be shared outside the actuary’s firm.
Response	The reviewers removed this section.
SECTION 4. COMMUNICATIONS AND DISCLOSURES	
Comment	One commentator recommended that any changes made to section 3, Analysis of Issues and Recommended Practices, be considered in updating section 4, Communications and Disclosures.
Response	The reviewers agree and moved disclosure language to section 4.
Section 4.1, Required Disclosures in any Actuarial Communication	
Comment	One commentator recommended that reliance on other sources in section 4.1(c)(now section 4.1[d]) should be moved to section 4.2, Required Disclosures in an Actuarial Report.
Response	The reviewers modified section 4 to remove the Required Disclosures in any Actuarial Communication section.
Comment	Several commentators recommended removing the word “required” from the title in this section and section 4.2, Required Disclosures in an Actuarial Report, because of potential confusion when combined with the phrase “if applicable” at the end of the first sentence in each section.
Response	The reviewers retained the word “required” in the title to be consistent with the title of section 4 in other ASOPs, removed the phrase “if applicable,” and added language regarding when some disclosures may be omitted.
Comment	Two commentators recommended using more neutral language in place of the word “cautions” in section 4.1(b) (now section 4.1[h]) regarding disclosure about uncertainty or risk.
Response	The reviewers agree and changed the word “cautions” to the phrase “a statement.”
Comment	One commentator was concerned that the wording of section 4.1(c) (now section 4.1[k] through section 4.1[n])) regarding disclosure of reliance on other sources would lead to significant duplication of documentation with every actuarial communication when reliance on other sources had been previously disclosed.
Response	The reviewers clarified the language in response to this comment.
Comment	One commentator recommended that communication of material differences described in section 3.4, Communication of Material Differences (now section 4.1[o]), be included in the list of required disclosures on actuarial communications.
Response	The reviewers agree and added language to section 4.1.
Section 4.2, Required Disclosures in an Actuarial Report (now section 4.1)	
Comment	One commentator recommended removing the word “recorded” from section 4.2(e) (now section 4.1[f]).
Response	The reviewers agree, removed the word “recorded,” and modified the language.

Comment	One commentator recommended splitting the list into items that always should be disclosed and those to be disclosed only if the item exists.
Response	The reviewers added clarifying language regarding when some disclosures may be omitted.
Comment	One commentator recommended adding an item related to including a statement in the report referencing all documents that are included within the report.
Response	The reviewers believe the guidance is sufficiently clear and made no change in response to this comment.
Comment	One commentator recommended that the required disclosure related to material assumptions set by others in section 4.2(i) (now section 4.1[n]) incorporate whether the assumption is reasonable as well as what would be reasonable.
Response	The reviewers agree and clarified the guidance in response to this comment.
Comment	One commentator recommended that the wording at the end of this section be changed from “may be limited” to “may not be required” and to delete the words “note that other” in the final sentence.
Response	The reviewers agree and clarified the guidance in response to this comment.
Comment	One commentator recommended that section 4.2(d) (now section 4.1[b]) be amended to incorporate the situation when multiple actuaries are responsible for the report.
Response	The reviewers agree and made the change.
Comment	Several commentators recommended consistency in the language of section 4.2(h) and (i) with the wording in section 3.3.3(b) (now section 4.1[n]).
Response	The reviewers agree and moved language from section 3 to section 4.
Section 4.4, Confidential Information (now section 4.3)	
Comment	One commentator requested further guidance on what is reasonable or permissible to disclose if preparing ASOP No. 41 disclosures would require disclosing confidential information.
Response	The reviewers believe the guidance is appropriate and made no change in response to this comment.
Comment	One commentator was concerned that confidentiality should not be used to keep from providing clear disclosures and recommended such language.
Response	The reviewers note that this section and the language is consistent with that of other ASOPs and made no change in response to this comment.