

**Comment #4 – 7/9/12 – 1:30 p.m.**

My comments for ASOP 6 are as follows:

"The changes to the community-rating exemption should be clear and concise, if they are to be made at all. If you leave any wiggle room actuaries will continue to do as they please and find elaborate justifications for doing so. This is a political matter more than an actuarial one. I've heard the comment from another actuary that 'CalPERS' survival depends on the actuary's ability to use community rating.' I believe his comment is a bit of an overstatement, but it does have a grain of truth.

The question that needs to be addressed, therefore, isn't 'What should be done?', it's 'What must be done?' If you don't make it clear what must be done, nobody will do it. Even if you do make it clear what must be done, compliance will still be spotty at best. This is arguably true for any actuarial precept but nowhere is it more true than in the present situation."

Regards,  
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