

**Comment #1 – 10/7/13 – 5:12 p.m.**

These are some comments about the Exposure Draft of ASB 38.

In general, the document is clear about its applicability to all practice areas. The inclusion of events such as pandemics and forest fires is also appropriate.

I do have questions about the definition of catastrophe:

1. Is there a general standard or "rule of thumb" to distinguish a catastrophe from an event that is merely big? Either in lives lost or financial losses?

2. Does a catastrophe have to be a single event, or can it be multiple events that, in a short period of time, satisfy an objective definition of catastrophe? For example, 2005 had not only Katrina but also Rita and other hurricanes that together produced catastrophic losses. The year 2013 has had multiple forest fires; I do not know whether any single fire is "catastrophic," but, in my layman's opinion, the combination of all of them produced catastrophic losses. Perhaps the response to this question is not a specific definition(s) but the comments surrounding the use, input and output of the model.

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