

**Comment #11 – 12/23/13 – 2:56 p.m.**

**Comments on the Proposed Revision of ASOP No. 38 on Catastrophe Modeling**

We would like to thank the Catastrophe Modeling Task Force for their work on the Catastrophe Modeling Exposure Draft. We offer the following comments and suggestions:

1. We believe that both Sections 1.1 and 1.2 should include guidance for actuaries responsible for evaluating models. As such, we propose the following wording for those two sections:
  - 1.1 Purpose - This actuarial standard of practice (ASOP) provides guidance to actuaries selecting, using, or evaluating catastrophe models when performing professional services.
  - 1.2 Scope - This ASOP applies to actuaries in all practice areas performing professional services when selecting, using, or evaluating catastrophe models. This standard applies to the selection, use, or evaluation of **catastrophe models**, whether or not they are proprietary in nature.
2. We believe that the definition of Catastrophe Model should include “scientific” concepts and equations. As such, we propose the following wording for the definition:
  - 2.2 Catastrophe Model - A representation of relationships among events based on statistical, financial, economic, mathematical, or scientific concepts and equations used to explain a system, to study the effects of different components, and to derive estimates based upon the future occurrences of large-scale, low-frequency, high-severity events such as hurricanes, earthquakes, tornados, terrorist acts, and pandemics.

Thank you for your consideration of our comments.

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