

Comment #3 – 1/13/15 – 9:27 p.m.

My comment/concern centers around Section 3.3.1C. from the Second Exposure Draft for the proposed Actuarial Standard of Practice covering modeling. The wording I am commenting on follows:

The actuary should consider obtaining a peer review, where practical and appropriate, depending on the **intended purpose** and the actuary's role. Such peer review, if obtained, may include items such as review of the reasonableness of the **input** to the **model**, the **model** construction, and the **model** results.

This section seems to imply that peer review is an occasional practice. In my experience, when work requires estimates where little direct experience is available, where work is addressing a relatively new process, or where the financial consequences of the work are significant, peer review is a very important practice for experienced actuaries. Our modeling standard should describe the circumstances when peer review is critical to a professional work product and indicate that peer review is required to generate a helpful result.

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