

Comment #4 – 4/15/16 – 12:42 p.m.

**Comments on the second exposure draft for the proposed Actuarial Standard of Practice,
Property / Casualty Ratemaking**

Thank you for the opportunity to comment.

I believe the CAS Ratemaking Principles contain important fundamental concepts that are not covered in the proposed ASOP. Once this ASOP is approved, I am fine with removing the “Considerations” section of the Ratemaking Principles, but the four fundamental principles should be retained.

I am curious if the Task Force considered a need to comment on reliance on others outside of actuarial profession to help price a new coverage in Section 3.9. Reference to other ASOP’s is made throughout and it seems appropriate to reference ASOP 38 in Section 3.9. When pricing new products with limited/no data, one may often need to rely on non-traditional ways of using information which may be outside one’s field of expertise.

Sincerely,

Mike Hebenstreit, ACAS, MAAA