ACTUARIAL STANDARDS BOARD

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● **SECOND EXPOSURE DRAFT** ●

**Proposed Revision of**
**Actuarial Standard**
**of Practice**
**No. 41**

# Actuarial Communications

**Comment Deadline:**
**March 15, 2025**

**Developed by the**
**ASOP No. 41 Task Force of the**
**Actuarial Standards Board**

**Approved for Exposure by the**
**Actuarial Standards Board**
**October 2024**

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# T A B L E O F C O N T E N T S

October 2024

**TO:** Members of Actuarial Organizations Governed by the Standards of Practice of the Actuarial Standards Board and Other Persons Interested in Actuarial Communications

**FROM:** Actuarial Standards Board (ASB)

**SUBJECT:** Proposed Revision of Actuarial Standard of Practice (ASOP) No. 41

This document contains the second exposure draft of a proposed revision of ASOP No. 41, *Actuarial Communications.* Please review this exposure draft and give the ASB the benefit of your comments and suggestions. Each written comment letter received by the comment deadline will receive appropriate consideration by the drafting committee and the ASB.

The ASB appreciates comments and suggestions on all areas of this proposed standard. The ASB requests comments be provided using the Comments Template that can be found here and submitted electronically to **comments@actuary.org**. Include the phrase "ASOP No. 41 COMMENTS" in the subject line of your message. Also, please indicate in the template whether your comments are being submitted on your own behalf or on behalf of a company or organization.

The ASB posts all signed comments received on its website to encourage transparency and dialogue. Comments received after the deadline may not be considered. Anonymous comments will not be considered by the ASB nor posted on the website. Comments will be posted in the order that they are received. The ASB disclaims any responsibility for the content of the comments, which are solely the responsibility of those who submit them.

For more information on the exposure process, please see the ASB Procedures Manual.

**Deadline** for receipt of comments: **March 15, 2025**

History of the Standard

The current version of ASOP No. 41, adopted in December 2010, superseded the version of ASOP No. 41 that was adopted in March 2002. The 2002 version was based on Interpretative Opinion No. 3, *Professional Communications of Actuaries*, which had been adopted by the Academy in 1981. With the passage of time, and the development and evolution of ASOPs, the ASB believed it would be beneficial to update and clarify ASOP No. 41.

ASOP No. 41 applies to all credentialed actuaries practicing in the U.S. in all areas of practice.

Consistent with the *Code of Professional Conduct*, this standard defines actuarial communication as "A written, electronic, or oral communication issued by an Actuary with respect to Actuarial Services."

First Exposure Draft

The first exposure draft was released in June 2022 with a comment deadline of November 1, 2022. Thirty-eight comment letters were received and considered in making changes that are reflected in the second exposure draft.

Notable Changes from the First Exposure Draft

Notable changes from the first exposure draft included in this second exposure draft are summarized below. Notable changes do not include changes made to improve readability, clarity, or consistency.

1. Section 2.2, Actuarial Conclusions, was added.

2. Section 2.3, Actuarial Report, was revised.

3. The definition for "actuarial finding" was removed.

4. The definition of "oral communications" as well as any additional guidance on oral communications was removed.

5. Section 2.7, Prescribed Assumption or Method Set by Law, was added.

6. Section 2.9, Subsequent Events, was added.

7. The guidance for "actuarial communication" in section 3 was refined.

8. Guidance regarding the risk of misuse of actuarial communications was added in section 3.3.

9. Guidance regarding when to issue an actuarial report was added in section 3.6.

10. Guidance regarding disclosures was moved from section 3 to section 4.

11. Guidance regarding instances in which disclosures in an actuarial report may not be required was added in section 4.

12. Guidance related to actuarial documentation was removed.

In addition, sections 3 and 4 were revised to eliminate potentially duplicative guidance and streamline the ASOP.

Notable Changes from the Existing ASOP

Notable changes from the existing standard are summarized below. Notable changes do not include changes made to improve readability, clarity, or consistency.

1. Definitions in section 2 were improved to better specify the differences between actuarial communications and actuarial reports.

2. Section 2.2, Actuarial Conclusions, was added.

3. Section 2.3, Actuarial Report, was revised.

4. The definition for "actuarial finding" was removed.

5. The definition of "oral communications" as well as any additional guidance on oral communications was removed.

6. Section 2.7, Prescribed Assumption or Method Set by Law, was added.

7. Section 2.9, Subsequent Events, was added.

8. Sections 3 and 4 were modified regarding the requirements that apply to all actuarial communications versus those that apply only to actuarial reports.

9. The guidance for "actuarial communication" in section 3 was refined.

10. Guidance regarding the risk of misuse of actuarial communications was added in section 3.3.

11. Guidance regarding when to use an actuarial report was added in section 3.6.

12. Guidance regarding disclosures was moved from section 3 to section 4, and consistency between section 3 and 4 was improved.

13. Guidance related to actuarial documentation was removed.

14. Guidance was expanded in section 4.1 regarding constraints or circumstances that might reduce the required disclosures in an actuarial report, or the need for an actuarial report, including situations in which an actuary is working as part of a larger team.

15. Guidance in section 4.1 regarding reliance on others was expanded.

Request for Comments

The ASB appreciates comments and suggestions on all areas of this proposed standard submitted through the Comments Template. Rationale and recommended wording for any suggested

changes would be helpful. In addition, the ASB would like to draw the readers' attention to the following questions:

1. Is it clear when an actuary should issue an actuarial report? If not, what further clarifications would you recommend?

2. Is it clear which guidance applies for all actuarial communications and which guidance is required only for actuarial reports? If not, what further clarifications would you recommend?

The ASB voted in October 2024 to approve this exposure draft.

ASOP No. 41 Task Force

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*The Actuarial Standards Board (ASB) sets standards for appropriate actuarial practice in the United States through the development and promulgation of Actuarial Standards of Practice (ASOPs). These ASOPs describe the procedures an actuary should follow when performing actuarial services and identify what the actuary should disclose when communicating the results of those services.*

**SECOND EXPOSURE DRAFT—October 2024**

# PROPOSED REVISION OF ACTUARIAL STANDARD OF PRACTICE NO. 41

# ACTUARIAL COMMUNICATIONS

# STANDARD OF PRACTICE

## Section 1. Purpose, Scope, Cross References, and Effective Date

1.1 Purpose—This actuarial standard of practice (ASOP or standard) provides guidance to actuaries when issuing **actuarial communications** in any form (written, electronic, or oral).

1.2 Scope—This standard applies to actuaries when issuing **actuarial communications** in any form (written, electronic, or oral) within any practice area. This standard does not apply to actuaries when issuing a communication that does not include the rendering of **actuarial services**.

The actuary should also refer to the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* (U.S. Qualification Standards) and the *Code of Professional Conduct* as they relate to **actuarial communications**.

Applicable law (statutes, regulations, and other legally binding authority) may prescribe the form and content of a particular **actuarial communication**. In such situations, the actuary should comply with this standard to the extent not prohibited by applicable law.

If a conflict exists between this standard and applicable law, the actuary must comply with applicable law. If the actuary departs from the guidance set forth in this standard in order to comply with applicable law, or for any other reason the actuary deems appropriate, the actuary should refer to section 4.

1.3 Cross References—When this standard refers to the provisions of other documents, the reference includes the referenced documents as they may be amended or restated in the future, and any successor to them, by whatever name called. If any amended or restated document differs materially from the originally referenced document, the actuary should follow the guidance in this standard to the extent it is applicable and appropriate.

1.4 Effective Date—This standard is effective for **actuarial communications** issued on or after four months after adoption by the Actuarial Standards Board.

## Section 2. Definitions

The terms below are defined for use in this standard and appear in bold throughout the ASOP. The actuary should also refer to ASOP No. 1, *Introductory Actuarial Standard of Practice*, for definitions and discussions of common terms, which do not appear in bold in this standard.

2.1 Actuarial Communication—A written, electronic, or oral communication issued by an actuary with respect to **actuarial services**. An electronic communication is a written or oral communication issued by means of a computer or other electronic device.

2.2 Actuarial Conclusions—Conclusions that have been formed based on actuarial analysis of data or other information. Examples of such actuarial analysis include ratemaking, pricing, experience studies, reserving, valuation, cost estimates, financial audits/exams, asset/liability management, assumption setting, risk assessments, appraisals, and the review of such analysis.

2.3 Actuarial Report—An **actuarial communication** that the actuary issues in writing or another permanent form to support **actuarial conclusions**.

2.4 Actuarial Services—Professional services provided to a **principal** by an individual acting in the capacity of an actuary. Such services include the rendering of advice, recommendations, findings, or opinions based upon actuarial considerations.

2.5 Intended User—Any person or entity who the actuary identifies as able to rely on an **actuarial communication**. **Intended users** may be internal or external to the actuary's **principal**.

2.6 Information Date—The date(s) through which data or other information has been considered in developing **actuarial conclusions**.

2.7 Prescribed Assumption or Method Set by Law—A specific assumption or method that is mandated or that is selected from a specified range or group of assumptions or methods that is deemed to be acceptable by applicable law (statutes, regulations, and other legally binding authority). For this purpose, an assumption or method selected by a governmental entity for a financial security program that such governmental entity or a political subdivision of that entity directly or indirectly sponsors as an employer is not a **prescribed assumption or method set by law**.

2.8 Principal—A client or employer of the actuary.

2.9 Subsequent Events—Events that (1) occur after the **information date**; (2) become known to the actuary before the **actuarial report** is issued; and (3) may have a material effect on **actuarial conclusions**.

Section 3. Analysis of Issues and Recommended Practices

3.1 Clarity, Form, and Content—When issuing an **actuarial communication**, the actuary should take appropriate steps to ensure that it is clear and appropriate to the circumstances and its **intended users** and satisfies applicable ASOPs. When an **actuarial communication** is not recorded, the actuary should consider following up with a recorded communication.

3.2 Timing—The actuary should issue the **actuarial communication** within a reasonable time period, taking into account the needs of the **principal**, the needs of the **intended users**, and the complexity of the assignment.

3.3 Risk of Misuse—An **actuarial communication** may be used by another party in a way that may influence the actions of a third party. The actuary should recognize the risks of misquotation, misinterpretation, or other misuse of the **actuarial communication** and should therefore take reasonable steps to present the **actuarial communication** clearly and fairly and to include, as appropriate, limitations on the distribution and utilization of the **actuarial communication**. The actuary may include language in the **actuarial communication** that limits its distribution to other users (for example, by stating that it may only be provided to such parties in its entirety or only with the actuary's consent).

3.4 Uncertainty or Risk—When issuing an **actuarial communication**, the actuary should include information regarding possible uncertainty or risk, as appropriate to the particular circumstances and the needs of the **intended users**.

3.5 Responsibility of the Actuary—When issuing an **actuarial communication**, the actuary should clearly identify the actuary as being responsible for it. When two or more individuals jointly issue an **actuarial communication**, the communication should identify all actuaries responsible for it. The name of an organization with which each actuary is affiliated may be included in the communication, but the actuary's responsibilities are not affected by such identification. The actuary should also indicate the extent to which the actuary or other sources are available to provide supplementary information and explanation unless, in the actuary's professional judgment, the intended users will otherwise be adequately informed about such availability.

3.6 Actuarial Report—When issuing an **actuarial communication** that includes **actuarial conclusions**, the actuary should issue an **actuarial report** or confirm that an **actuarial report** has been or will be issued. Unless otherwise disclosed, the actuary or actuaries issuing the **actuarial report** will be assumed to have taken responsibility for all **actuarial conclusions**, material assumptions, and methods.

Section 4. Communications and Disclosures

4.1 Required Disclosures in an Actuarial Report—When issuing an **actuarial report**, the actuary should include the following disclosures:

a. identification of the responsible actuary or actuaries;

b. the acknowledgement of the responsible actuary's or actuaries' qualifications as specified in the U.S. Qualification Standards;

c. the scope and intended purpose of the assignment;

d. the **intended users** and, as appropriate, the **principal(s)**;

e. the **information date**;

f. the **actuarial conclusions**;

g. any limitations or constraints on the use or applicability of the **actuarial conclusions**;

h. a statement about possible uncertainty or risk associated with the **actuarial conclusions**;

i. a description of the methods, procedures, assumptions, models, and data used by the actuary with sufficient clarity that another actuary qualified in the same practice area could make an objective appraisal of the reasonableness of the actuary's work;

j. identification of **subsequent events** and their potential implications, if it is impractical or inappropriate to revise the **actuarial conclusions** before issuing the **actuarial report**;

k. the disclosures required in ASOP No. 23, *Data Quality*, when relying on another party and thereby disclaiming responsibility for data or other information related to data;

l. the disclosures required in ASOP No. 56, *Modeling*, when relying on another party and thereby disclaiming responsibility for models;

m. when using a **prescribed assumption or method set by law,**

1. a reference to the applicable law under which the report was prepared;

2. the assumption or method that is prescribed by the applicable law; and

3. a statement that the report was prepared in accordance with the applicable

law.

These disclosures should be made regardless of whether the actuary believes the assumption or method is reasonable for the purpose of the **actuarial report**.

n. when relying on another party and thereby disclaiming responsibility for material assumptions and methods set by another party,

1. the assumption or method that was set by another party;

2. the party who set the assumption or method;

3. the reason that this party, rather than the actuary, set the assumption or method;

4. the extent to which the actuary has reviewed the assumption or method for reasonableness and consistency with the scope of the actuary's assignment; and

5. one of the following:

i. a statement that the actuary has reviewed the assumption or method and finds that it is reasonable and consistent with the scope of the actuary's assignment;

ii. a statement that the assumption or method does not significantly conflict with what, in the actuary's professional judgment, would be reasonable for the purpose of the assignment;

iii. a statement that the assumption or method significantly conflicts with what, in the actuary's professional judgment, would be reasonable for the purpose of the assignment, how it conflicts, why it is still used, and a statement regarding the ability of the **intended users** to rely on the results in the report due to the conflicting assumption or method; or

iv. a statement that the actuary was unable to judge the reasonableness of the assumption or method, why the actuary was unable to judge the reasonableness, and a statement regarding the ability of the **intended users** to rely on the results in the report due to the actuary's inability to judge the reasonableness of the assumption or method.

o. if the **actuarial report** invalidates **actuarial conclusions** from the actuary's prior **actuarial report** on the same assignment, a statement that the **actuarial conclusions** provided in the actuary's prior **actuarial report** are no longer valid

and an explanation of why they have changed; and

p. the disclosures required in other ASOPs that apply to the actuary's assignment.

The actuary may include these disclosures by reference to other documents or recorded communications that are available to the **intended users**.

The actuary may choose to omit some of the disclosures in (a)-(p) above when, in the actuary's professional judgment, the **intended users** will be adequately informed about the basis for the **actuarial conclusions**. Examples of such circumstances may include when the **actuarial conclusions** are part of a larger project within a single organization or are provided to **intended users** who have access to the supporting information. However, omitting disclosures may not be appropriate if the **actuarial conclusions** will receive broad distribution. The actuary should be prepared to justify any omission.

4.2 Deviation from the Guidance of an ASOP—If the actuary deviates materially from the guidance set forth in an applicable ASOP for any reason, the actuary can still comply with that ASOP by providing an appropriate statement in the **actuarial communication** with respect to the nature, rationale, and effect of such deviation.

4.3 Confidential Information—Nothing in this ASOP is intended to require the actuary to disclose confidential information.

## Appendix

## Comments on the First Exposure Draft and Responses

The first exposure draft of the proposed revision of ASOP No. 41, *Actuarial Communications*, was issued in June 2022 with a comment deadline of November 1, 2022. Thirty-eight comment letters were received, some of which were submitted on behalf of multiple commentators, such as by firms or committees. For purposes of this appendix, the term "commentator" may refer to more than one person associated with a particular comment letter. The ASOP No. 41 Task Force of the Actuarial Standards Board (ASB) carefully considered all comments received, and the ASB reviewed (and modified, where appropriate) the changes proposed by the task force.

Summarized below are the significant issues and questions contained in the comment letters and the responses. Minor wording or punctuation changes that were suggested but not significant are not reflected in the appendix, although they may have been adopted.

The term "reviewers" in the appendix includes the ASOP No. 41 Task Force and the ASB. The section numbers and titles used in the appendix refer to those in the first exposure draft, which are then cross referenced with those in the new exposure draft.

| **TRANSMITTAL MEMORANDUM** | |
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| **Question 1: Are the distinctions among actuarial communications, actuarial reports, and actuarial documentation clear? If not, what further clarifications would you recommend for the definitions?** | |
| Comment | Of the 23 comment letters that responded to this question, 13 found the distinctions clear and 10 did not. The common issues raised by the commentors were that the distinctions are not clear since some items appear to be subsets of other items, additional examples are needed to improve clarity, and additional clarity is needed for oral and electronic communications. Commentators also raised concerns about requirements for internal peer review. |
| Response | The reviewers updated the guidance to remove the separate definition of oral communications. The reviewers did not add examples to the guidance as no set of examples will be fully representative. |
| **Question 2: Section 3.3.3(b) (now section 4.1[n]) introduces a proposed new "positive" disclosure requirement for an assumption or method not selected by the actuary that does not significantly conflict with what, in the actuary's professional judgment, would be reasonable for the purpose of the assignment. This would supplement the current "negative" disclosure requirement for an assumption or method that does significantly conflict. Is "significantly conflict" the appropriate disclosure language, as opposed to "reasonable"/"unreasonable" or some other terminology?** | |
| Comment | Of the 18 comment letters that responded to this question, the vast majority agreed with the "positive" disclosure requirement. The majority agreed with "significantly conflict" while some preferred "reasonable/unreasonable" or "materially conflict." |

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| **GENERAL COMMENTS** | |
| Comment | One commentator requested that the standard explicitly state it applies to internal work. |
| Response | The reviewers agree and added a phrase in the definition of "intended users" to clarify that the standard applies to internal work. |
| Comment | One commentator requested that the standard explicitly describe its applicability to social media and white papers. |
| Response | The reviewers refer to the definition of "actuarial communication," which includes communication in any form. Therefore, no change was made in response to this comment. |
| Comment | Several commentators requested that specific requirements be made for departments of insurance whether or not the personnel are actuaries. |
| Response | The reviewers note the ASOPs apply to actuaries who are members of one of the five U.S.-based actuarial organizations and that any guidance intended for others is beyond the scope of the ASOP. |
| Comment | Several commentators requested that the reviewers consider consistency with ASOP Nos. 23, *Data Quality*, and 56, *Modeling*, as related to documentation. |
| Response | The reviewers considered consistency with other ASOPs and have adjusted some wording throughout the standard related to ASOP Nos. 23 and 56. However, the reviewers note that ASOPs may also have disclosure requirements for specific assignments, and those disclosure requirements will still apply. |
| Comment | One commentator asked for consistency regarding the definition of "statements of actuarial opinion in the USQS." |
| Response | The reviewers note that this standard applies to actuarial communications and section 1.2, Scope, refers the actuary to the U.S. Qualification Standards. |
| **SECTION 1. PURPOSE, SCOPE, CROSS REFERENCES, AND EFFECTIVE DATE** | |
| **Section 1.2, Scope** | |
| Comment | Several commentators suggested changing "should" to "must" when describing compliance with applicable law in this section. |
| Response | The reviewers agree and made the change. |
| Comment | One commentator asked for clarification in this section, regarding whether the standard applies to retired actuaries and whether the actuary determines if the communication is an actuarial communication. |
| Response | The reviewers note that the standard applies when an actuary is making an actuarial communication. An actuarial communication is defined in the *Code of Professional Conduct* (Code). Making an actuarial communication is not limited by employment status or by the actuary making a statement about whether a communication related to actuarial services is or is not an actuarial communication. Therefore, no change was made. |

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| Comment | One commentator asked if an actuary who reviews actuarial communications is expected to comment on whether the actuarial communication follows the guidance in ASOP No. 41.and the commentator also suggested clarifying this section. |
| Response | The reviewers note that if the reviewing actuary makes an actuarial communication, the reviewing actuary's communication is within the scope of the standard. Whether the reviewing actuary comments on whether the reviewed actuarial communication materially follows the guidelines of ASOP No. 41 is determined not by ASOP No. 41 but by the facts and circumstances of the reviewing actuary's assignment. Therefore, no change was made. |
| **Section 1.4, Effective Date** | |
| Comment | Several commentators request that the effective date be longer than 4 months after adoption by the ASB. |
| Response | The reviewers made no change in response to this comment. |
| **SECTION 2. DEFINITIONS** | |
| Comment | One commentator recommended adding a definition for "actuarial considerations." |
| Response | The reviewers believe the guidance is appropriate and made no change in response to this comment. |
| **Section 2.1, Actuarial Communication** | |
| Comment | Two commentators requested that the definition of "electronic communications" be clarified, potentially through a separate definition or by adding the definition of "oral communications" to this section, and bolding both electronic and oral communication throughout.<br><br>Another commentator requested that the definition of "electronic communications" be clarified and that the clarification address the interaction of electronic and oral communications as well as actuarial reports.<br><br>Another commentator requested that a definition of "oral communication" consistent with "electronic communication" be added to this section. |
| Response | The reviewers considered these comments regarding the placement and definitions of "electronic communications" and "oral communications" and removed the definition of "oral communications." The reviewers did not believe a separate definition for "electronic communication" was needed. |
| Comment | One commentator requested that "recorded actuarial communication" be moved from the definition of Actuarial Report (Section 2.4) to Section 2.1, Actuarial Communication. |
| Response | The reviewers disagree and made no change in response to this comment. |
| Comment | One commentator provided an alternative definition of "actuarial communication" that described the delivery mechanism of the communication rather than expanding on the meaning of electronic communication. |
| Response | The reviewers believe the guidance is appropriate and made no change in response to this comment. |

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| **Section 2.2, Actuarial Documentation** | |
| Comment | One commentator suggested deleting, "Such documentation may include documents that are not part of an actuarial report." |
| Response | The reviewers removed this section and all reference to "actuarial documentation" in the standard since the term leads to confusion with the definition of "actuarial report." The reviewers note that not all actuarial documentation may be an actuarial communication or part of an actuarial report. |
| Comment | Two commentators requested additional examples. |
| Response | The reviewers removed this section and all reference to "actuarial documentation" in the standard since the term leads to confusion with the definition of "actuarial report." The reviewers note that not all actuarial documentation may be an actuarial communication or part of an actuarial report. |
| **Section 2.3, Actuarial Finding (now section 2.2, Actuarial Conclusions)** | |
| Comment | Several commentators recommended that "findings" be replaced with an alternative word, such as "conclusions." |
| Response | The reviewers changed "actuarial finding" to "actuarial conclusions" and added several examples of analyses that may result in actuarial conclusions. |
| **Section 2.4, Actuarial Report (now section 2.3)** | |
| Comment | One commentator recommended a revised definition of "actuarial report" to be clearly related to "recorded communications." |
| Response | The reviewers clarified the definition of "actuarial report." |
| Comment | Several commentators considered the use of the phrase "as a report" to be circular. |
| Response | The reviewers changed the definition and eliminated the use of "report." |
| Comment | One commentator provided an alternative definition for a "recorded communication," while another recommended making "recorded communication" a separate definition. |
| Response | The reviewers modified the guidance in response to this comment and removed the word "recorded" from the definition. |
| Comment | One commentator recommended adding the sentence "all actuarial reports are actuarial communications and are therefore subject to all requirements of this ASOP." |
| Response | The reviewers modified the language in response to this and other comments. |
| Comment | One commentator considered the use of the word "report" as unclear and the use of the word "permanent" as too definitive and offered alternative wording. |
| Response | The reviewers modified the language in response to this and other comments. |
| Comment | One commentator recommended referencing "actuarial documentation" in this section. |
| Response | The reviewers disagree and made no change. The reviewers note that the term "actuarial documentation" has been removed from the standard. |
| Comment | One commentator requested further clarification regarding when a written actuarial communication is not an actuarial report. |
| Response | The reviewers revised the definition. |

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| **Section 2.5, Actuarial Services (now section 2.4)** | |
| Comment | Several commentators recommended removing the last sentence in this section to be consistent with the same definition in ASOP No. 1, *Introductory Actuarial Standard of Practice*. |
| Response | The reviewers agree and removed the last sentence. |
| Comment | One commentator suggested that "actuarial considerations" be defined. |
| Response | The reviewers do not believe a definition for "actuarial considerations" was needed and made no change in response to this comment. |
| Comment | Several commentators recommended alternative wording for the second sentence of this section. |
| Response | The reviewers note that the first two sentences of this definition are consistent with the definition of "actuarial services" in ASOP No. 1 and in the Code, and therefore made no change in response to these comments. |
| Comment | One commentator recommended alternative wording to the last sentence to clarify the term "other services." |
| Response | The reviewers removed the last sentence to be consistent with the same definition in ASOP No. 1 and the Code. |
| **Section 2.6, Intended User (now section 2.5)** | |
| Comment | One commentator noted that the stakeholders and thus the intended users of a document often go beyond the actuary's principal and recommended wording to address this broad set of intended users. |
| Response | The reviewers believe the guidance is appropriate and made no change in response to this comment. |
| Comment | One commentator noted that the intended user may often be a company or organization and not an individual person. The commentator recommended expanding the language to include "or entity." |
| Response | The reviewers agree and made the change. |
| **Section 2.7, Oral Communication** | |
| Comment | Several commentators noted potential confusion particularly when oral communications are recorded and recommended alternative wording for the definition. |
| Response | The reviewers removed this section and used the term "oral communications" only in the definition of "Actuarial Communication" where the common place definition would be understood. |
| **Section 2.9, Principal (now section 2.8)** | |
| Comment | One commentator was concerned that the principal may not always pay fees or salary to the actuary when pro bono work is considered and recommended adding a definition of "client" as part of the definition of "principal." |
| Response | The reviewers note that the definition of "principal" in the standard and in the Code are the same and made no change. |

| SECTION 3. ANALYSIS OF ISSUES AND RECOMMENDED PRACTICES | |
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| **Section 3.1, Requirements for Actuarial Communications (now sections 3.1-3.6)** | |
| Comment | One commentator suggested that allowing subsequent compliance with this section should apply not just to oral communications. |
| Response | The reviewers note that the subsequent compliance guidance has been removed in conjunction with revisions to sections 3.1-3.6. |
| **Section 3.1.1, Form and Content (now section 3.1, Clarity, Form, and Content)** | |
| Comment | One commentator recommended adding examples of potential formats for an actuarial communication such as spreadsheets, memorandum, and presentations. |
| Response | The reviewers note that the definition of "actuarial communication" is consistent with the Code, may include the example formats listed by the commentator, and made no change. |
| Comment | One commentator thought that adding the words "sufficient and relevant" to this section added confusion rather than clarity. |
| Response | The reviewers agree and removed the wording. |
| **Section 3.1.2, Clarity (now section 3.1, Clarity, Form, and Content)** | |
| Comment | One commentator recommended replacing the term "intended users" with "needs of the intended users" to provide additional stress on sufficiency of the information provided. |
| Response | The reviewers revised the language and combined guidance on clarity with guidance on form and content. |
| **Section 3.1.3, Timing (now section 3.2)** | |
| Comment | One commentator recommended removing or clarifying this section. |
| Response | The reviewers clarified the language. |
| Comment | Several commentators recommended adding more clarity around reasonable timing and provided alternative wording. |
| Response | The reviewers agree and revised the language. |
| Comment | One commentator recommended removing this section because being timely is common sense. |
| Response | The reviewers believe the guidance is appropriate and made no change in response to this comment. |
| **Section 3.1.4, Identification of Responsible Actuary (now section 3.5, Responsibility of the Actuary)** | |
| Comment | One commentator recommended changing the wording in the last sentence from "is available" to "is or is not available." |
| Response | The reviewers believe that the phrase "the extent to which the actuary is available" implies both being and not being available and made no change in response to this comment. |
| Comment | One commentator recommended removing the exception related to disclosing all the actuaries responsible for the communication when the actuary determines it is inappropriate to disclose all the responsible actuaries. |
| Response | The reviewers agree and modified the guidance. |

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| Comment | One commentator recommended changing the language of the last sentence to a positive statement, replacing "unless the actuaries determine it inappropriate to do so" with "when appropriate." |
| Response | The reviewers modified the language in this section. |
| Comment | One commentator was concerned that the last sentence conflicted with the Code. |
| Response | The reviewers agree and modified the language in this section. |
| **Section 3.1.5, Uncertainty or Risk (now section 3.4)** | |
| Comment | Several commentators recommended replacing the term "cautions" with a less biased term such as "findings" or "disclosure." |
| Response | The reviewers revised the language. |
| Comment | One commentator recommended adding "significant" before "uncertainty or risk." |
| Response | The reviewers disagree but clarified the language. |
| Comment | One commentator recommended replacing "associated with the actuarial findings" with "that may reasonably be anticipated to significantly affect the actuarial findings" to be consistent with ASOP No. 51, *Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions*. |
| Response | The reviewers disagree with the suggested change but clarified the language . |
| **Section 3.1.6, Interim Communications** | |
| Comment | One commentator recommended clarifying the terms "key" and "significantly later." |
| Response | The reviewers removed this section. |
| Comment | One commentator recommended adding "or subsequent to" before "the interim actuarial communication" since disclosure might be made after an oral communication. |
| Response | The reviewers removed this section. |
| **Section 3.2, Oral Communications** | |
| Comment | Two commentators found the wording in this section related to providing certain information subsequent to the oral communication unclear. |
| Response | The reviewers agree and removed the oral communication section. |
| Comment | Several commentators requested that the wording related to complying in this section subsequent to issuing an oral communication "should" be required rather than "may" be required. |
| Response | The reviewers removed this section. |
| Comment | One commentator recommended moving the guidance in this section to a new section to further clarify informal communications. |
| Response | The reviewers removed this section. |
| Comment | One commentator suggested that oral communications are more interactive and not "issued," and recommended changing the definition of oral communication. |
| Response | The reviewers removed the definition of "oral communications." |

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| Comment | Several commentators requested clarification, suggesting that providing the same information to the same intended users might lead to duplicative documentation. |
| Response | The reviewers removed this section. |
| Comment | One commentator requested retaining within this section the language in the existing ASOP No. 41 that reminds the actuary that oral communication might be passed on to other parties and, therefore, the actuary should consider following up with written communication. |
| Response | The reviewers agree and included similar language in the revised section 3.1. |
| Comment | One commentator pointed to the less formal nature of oral communications and recommended adjusting the language regarding that consideration. |
| Response | The reviewers removed this section. |
| **Section 3.3, Requirements for an Actuarial Report (now section 3.6, Actuarial Report)** | |
| Comment | One commentator requested examples of reports and communications be included in this section. |
| Response | The reviewers believe that examples related to reports and communications would not provide significant additional clarity. |
| Comment | One commentator recommended the title "When an Actuarial Report Should be Issued." |
| Response | The reviewers renamed the section "Actuarial Report." |
| Comment | Two commentators suggested removing the phrase "will have a material effect on the intended user" in the description of when to issue an actuarial report since the actuary may not know if the effect is material. |
| Response | The reviewers agree and removed this language. |
| Comment | One commentator was concerned about disclosure requirements being in ASOP No. 41 and each ASOP. |
| Response | The reviewers believe the guidance is appropriate and made no change in response to this comment. |
| Comment | One commentator recommended moving the reference to multiple documents from this section to the end of section 4.2, Required Disclosures in an Actuarial Report. |
| Response | The reviewers agree and made this change. |
| Comment | Several commentators suggested clarifications related to preparing actuarial reports for every actuarial finding. |
| Response | The reviewers revised the language in section 3.6. |
| Comment | One commentator suggested transitional language within the first paragraph related to the requirements described within section 3.3. |
| Response | The reviewers note that many of the requirements of former section 3.3 have been moved to section 4.1. |
| Comment | One commentator recommended adding a subsection to this section with commentary that not every report will satisfy every aspect described. |
| Response | The reviewers note that many of the requirements of former section 3.3 have been moved to section 4.1, which includes guidance regarding omission of disclosures. |

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| Comment | One commentator recommended changing "Requirements" to "Guidance" in the title of this section. |
| Response | The reviewers renamed the section "Actuarial Report." |
| **Section 3.3.1, Sufficient Clarity (now section 4.1.[i])** | |
| Comment | One commentator suggested adding "models" in this section in addition to methods, procedures, assumptions, and data. |
| Response | The reviewers agree and added the word "models." |
| **Section 3.3.2, Conflict of Interest** | |
| Comment | One commentator said that prior language related to the materiality of the compensation should be retained in this section. |
| Response | The reviewers removed this section. |
| Comment | One commentator recommended deleting the sentence related to the actuary acting as an advocate. |
| Response | The reviewers removed this section. |
| Comment | One commentator recommended that this section point the actuary to Precept 7 of the Code and clarify that the conflict should be disclosed. In addition, the commentator also expressed concern related to the use of the word "advocate." Another commentator recommended that the disclosure related to conflict of interest be made to the intended user and to replace the word "advocate" with "neutral party." |
| Response | The reviewers removed this section. |
| **Section 3.3.3, Responsibility for Assumptions and Methods** | |
| Comment | One commentator recommended replacing the words "will be assumed to" with "is declared to" in this section and section 3.3.4, Information Date. |
| Response | The reviewers considered the many recommendations for this section from multiple commentators and kept "will be assumed to" in section 3.6, Actuarial Report. |
| Comment | Numerous commentators recommended that this section be clearer on whether disclosure relates to all assumptions or only material assumptions. |
| Response | The reviewers note that ASOP No. 1 addresses "materiality." However, due to the number of comments regarding "materiality," the reviewers added the word "material" in section 3.6 and 4.1(n). |
| Comment | One commentator found the distinctions in this section related to disclosures in actuarial reports compared with actuarial communications to be confusing and hard to implement. |
| Response | The reviewers considered the commentator's concerns along with other related comments and consolidated the disclosure requirements for an actuarial report into section 4. |
| Comment | Several commentators requested clarification of the interaction between this section and section 3.5, Risk of Misuse (now section 3.3). |
| Response | The reviewers clarified the language . The reviewers believe that examples related to risk of misuse would not provide significant additional clarity and that actuarial judgment should be applied. |
| Comment | Several commentators requested clarification of the interaction between this section and section 3.3.6, Limitation of Content of an Actuarial Report. |
| Response | The reviewers clarified the language in both sections and moved the limitation of content guidance to the end of section 4.1. |

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| Comment | Several commentators requested clarification on the interaction of documenting assumptions affirmatively with the reliance on others. |
| Response | The reviewers revised the language. |
| Comment | One commentator recommended edits in the first paragraph to clarify that the actuary is the subject taking responsibility rather than the report. |
| Response | The reviewers agree and revised the language. |
| Comment | One commentator recommended modified language to reduce the listing of prescribed assumptions within the report when there may be many prescribed assumptions that the actuary may consider reasonable. |
| Response | The reviewers believe the guidance is appropriate and made no change in response to this comment. |
| Comment | One commentator recommended a broader title for this section to include "other items and inputs that materially impact findings" to clarify that this relates to more than assumptions and methods. |
| Response | The reviewers believe the guidance is appropriate and made no change in response to this comment. |
| Comment | One commentator expressed concern that the phrase "silent about such responsibility" would require disclosure of all assumptions not just material assumptions. |
| Response | The reviewers removed the phrase and revised the language (now in sections 3.5 and 4.1[n]) to emphasize that the actuary assumes responsibility for all material assumptions unless otherwise disclosed. |
| Comment | One commentator suggested removing "responsibility" since an actuary is expected to be responsible. |
| Response | While the reviewers understand that the actuary is expected to be responsible, the word was retained. |
| Comment | One commentator suggested adding guidance in this section for cases where the actuary beleives the assumptions or methods promulgated by law may be inappropriate. |
| Response | The reviewers believe the guidance is appropriate and made no change in response to this comment. |
| Comment | One commentator was concerned that the use of the term "prescribed by law" would be confusing when a method or assumption is prescribed by a regulation rather than a law. |
| Response | The reviewers added a definition of "prescribed assumption or method set by law" that includes regulations. |
| Comment | One commentator said that assumptions fall into two categories: 1) prescribed by law and 2) all other and requested that the language reflect that. |
| Response | The reviewers believe the guidance is appropriate and made no change in response to this comment. |
| Comment | One commentator said that this section did not reflect the situation within an insurance company where different colleagues or departments may be separately assigned to develop particular assumptions or prepare an analysis based on particular methods. |
| Response | The reviewers believe the guidance is appropriate but clarified the language. |

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| Comment | One commentator recommended using the term "prescribed assumption or method set by law" to be consistent with ASOP Nos. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*; 27, *Selection of Economic Assumptions for Measuring Pension Obligations*; and 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*. |
| Response | The reviewers agree and changed the terminology from "assumption or method prescribed by applicable law" to "prescribed assumption or method set by law." In addition, "prescribed assumption or method set by law" was added as a defined term. The definition was modified from the definition included in ASOP Nos. 4, 27 and 35 to be appropriate for all practice areas. |
| Comment | One commentator recommended "applicable law" in section 3.3.3(a)(1) be changed to "reference to applicable law" to make it clearer that the text of the entire law is not required. |
| Response | The reviewers agree and made the change in section 4.1(m). |
| Comment | One commentator recommended "the actuary is responsible for all assumptions" in section 3.3.3(b) (now section 4.1[n]) be changed to "the actuary is declaring responsibility for all assumptions." |
| Response | The reviewers clarified the language. |
| Comment | One commentator requested further clarification of "another party" in section 3.3.3(b) (now section 4.1[n]) stating that the term is unclear about actuaries within the same supervisory structure of the responsible actuary. |
| Response | The reviewers believe the guidance is appropriate and made no change in response to this comment. |
| Comment | Several commentators recommended removing section 3.3.3(b)(1-5). |
| Response | The reviewers disagree and retained this guidance (now in section 4.1[n]). However, the reviewers clarified the guidance. |
| Comment | One commentator noted that individual assumptions in section 3.3.3(b)(4) may be reasonable but the cumulative impact may not, and therefore requested that checking for the cumulative impact of assumptions be added. |
| Response | The reviewers believe the guidance is appropriate based on the scope of the standard and made no change in response to this comment. |
| Comment | One commentator recommended that "all other" criteria be added to section 3.3.3(b)(5) for unusual circumstances. |
| Response | The reviewers believe the guidance is appropriate but clarified the language , and note that limitation of content guidance at the end of section 4.1 addresses unusual circumstances. |
| Comment | One commentator recommended that the words, "The actuary has reviewed the assumption or method and finds that it is reasonable" be added as an option to section 3.3.3(b)(5). |
| Response | The reviewers agree and revised the wording (now in section 4.1[n)][5][i]). |
| Comment | One commentator recommended removing the modifier "significantly" before "conflict(s)" in section 3.3.3(b)(5)(i) and (ii) |
| Response | The reviewers believe the guidance is appropriate and made no change in response to this comment. |
| Comment | One commentator recommended modifying section 3.3.3(b)(5)(ii) since the situation does not seem likely to occur. |
| Response | The reviewers disagree and made no change. |

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| Comment | One commentator recommended changing "significantly conflicts" to "is unreasonable" in section 3.3.3(b)(5)(ii). |
| Response | The reviewers believe the guidance is appropriate and made no change in response to this comment. |
| Comment | One commentator recommended changing "does not significantly conflict" to "is not unreasonable" in section 3.3.3(b)(5)(i). |
| Response | The reviewers believe the guidance is appropriate and made no change in response to this comment. |
| Comment | One commentator recommended rewording section 3.3.3(b)(5)(iii). |
| Response | The reviewers revised the language that related to the inability to judge the reasonableness of an assumption or method (now section 4.1[n][5][iv]). |
| Comment | One commentator requested removing the wording "a substantial amount of work" from section 3.3.3(b)(5)(iii). |
| Response | The reviewers revised the language to require the actuary to disclose why the actuary was unable to judge the reasonableness of the assumption or method (now in section 4.1[n][5)][iv]). |
| Comment | One commentator recommended alternative language to section 3.3.3(b)(5)(i.-iv.) to focus on the purpose of the assignment and to emphasize that the actuary takes ownership of the work product. |
| Response | The reviewers believe that the guidance is appropriate based on the scope of the standard. However, the reviewers clarified the language (now in section 4.1[n][5][i-iv]). |
| **Section 3.3.4, Information Date (now section 2.6)** | |
| Comment | Several commentators found that the sentence, "where the actuarial report is silent about the information date, the information date will be assumed to be the date of the actuarial report," was not clear or not necessary. |
| Response | The reviewers agree and removed the sentence. |
| Comment | One commentator recommended using the defined term "actuarial findings" or "measurement date" from ASOP No. 4. |
| Response | The reviewers disagree and retained the term "information date." The reviewers also introduced the term "actuarial conclusions." |
| **Section 3.3.5, Subsequent Events (now section 2.9 and section 4.1[j])** | |
| Comment | One commentator suggested rewording this section to include the last sentence related to the potential implications discussed in the beginning of this section. |
| Response | The reviewers agree and revised the language. |
| Comment | One commentator suggested adding the words "to the extent practical" to the beginning of the section. |
| Response | The reviewers considered that practical considerations are implied as set forth in ASOP No. 1 and, therefore, made no change in response to this comment. |
| Comment | One commentator requested that the language be explicit in this section, suggesting that the disclosure related to a relevant subsequent event's potential implications need not be numeric and may be brief. |
| Response | The reviewers considered this comment but did not believe that the guidance, as written, required a disclosure that was numeric or was not brief, and made no change in response to this comment. |

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| Comment | One commentator suggested adding a provision for providing commentary on subsequent events after a report has been finalized. |
| Response | The reviewers believe the guidance is appropriate and made no change in response to this comment. |
| Comment | One commentator requested changing "potential implications" to "potential material effect on actuarial findings." |
| Response | The reviewers believe the guidance is appropriate and made no change in response to this comment. |
| Comment | Several commentators requested that the word "finalize" be changed to "issued" in sections 3.3.5(b) and (d). |
| Response | The reviewers agree and revised the language accordingly. |
| Comment | One commentator said that if the report is revised because of a subsequent event, the subsequent event should be disclosed. Furthermore, the commentator believed the report should be revised, if not, the reason for not doing so should be disclosed. |
| Response | The reviewers believe the guidance is appropriate and made no change in response to this comment. |
| **Section 3.3.6, Limitation of Content of an Actuarial Report (now last paragraph of section 4.1)** | |
| Comment | One commentator said that the placement of the last two paragraphs was confusing, as it was not clear whether those paragraphs applied to all of section 3.3, Requirements for an Actuarial Report, or only to section 3.3.6, Limitation of Content of an Actuarial Report. |
| Response | The reviewers agree, removed this section, and added clarifying language to section 4 in response to this comment. |
| Comment | One commentator recommended that this section clarify circumstances when the information within an actuarial report may be limited. |
| Response | The reviewers removed this section and added clarifying language to section 4 in response to this comment. |
| Comment | One commentator suggested removing the phrase "or the need for an actuarial report" and expanding the languge of section 3.3, Requirements for an Actuarial Report, about when a report is needed. |
| Response | The reviewers removed this section and added clarifying language to section 4 in response to this comment. |
| Comment | One commentator suggested removing references to not issuing an actuarial report. |
| Response | The reviewers agree, removed this section, and added clarifying language to section 4 in response to this comment. |
| Comment | One commentator recommended changing "certain circumstances" to "certain actuarial communications." In addition, the commentator noted that the term "actuarial work" is not defined and that the description of the examples needed greater clarity. |
| Response | The reviewers agree, removed this section, and added clarifying language to section 4 in response to this comment. |

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| Comment | One commentator was concerned that it is not clear whether actuarial reports are needed for internal communications. |
| Response | The reviewers removed this section and added clarifying language in section 3.6 and section 4 in response to this comment. |
| Comment | One commentator recommended revising the language to take into account the applicable law related to retaining documentation. |
| Response | The reviewers removed this section. |
| Comment | One commentator requested a specific example be added to this section to apply to reports that reference other reports that may not be included within the core report. |
| Response | The reviewers removed this section and added clarifying language to section 4 in response to this comment. |
| Comment | Several commentators suggested adjusting the example in section 3.3.6(a) into two components: one for internal, and one for larger projects. Another commentator suggested adding an example to this section related to limited scope engagements. |
| Response | The reviewers removed this section and added clarifying language to section 4 in response to these comments. |
| Comment | One commentator recommended changing section 3.3.6(b) to include the "intended user." |
| Response | The reviewers agree, removed this section, and added clarifying language to section 4 in response to this comment. |
| Comment | Several commentators felt that the reference to a senior actuary in section 3.3.6(b) does not reference the qualifications of this intended user. |
| Response | The reviewers agree, removed this section, and added clarifying language to section 4 in response to this comment. |
| Comment | Several commentators found the example in section 3.3.6(d) related to internal brainstorming sessions to be awkward. |
| Response | The reviewers agree and removed this example. |
| **Section 3.4, Communication of Material Differences (now section 4.1[o])** | |
| Comment | Several commentators found the language too general and provided suggestions. |
| Response | The reviewers revised the language and moved to section 4. |
| Comment | One commentator suggested that communication of material differences described in this section should be made based upon actuarial judgment. |
| Response | The reviewers clarified the language and moved to section 4. |
| Comment | One commentator recommended that the language be clarified to state that the prior communication was one to which the actuary has access. |
| Response | In response to this comment and several other related comments, the reviewers clarified the language and moved it to section 4. |

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| Comment | Two commentators were concerned with the use of the word "recipient" rather than intended user. |
| Response | The reviewers clarified the language and removed the word "recipient." |
| Comment | One commentator was concerned with the form of the communication of the disclosures related to material differences. |
| Response | The reviewers clarified the language and moved it to section 4. |
| Comment | One commentator recommended restoring the phrase "making it clear that the earlier results and opinion are no longer valid and explaining why they have changed." |
| Response | The reviewers agree and added clarifying language to section 4 in response to this comment. |
| Comment | One commentator recommended changing the word "recipient" to "intended user" and moving this section into section 3.3, Requirements for an Actuarial Report. |
| Response | The reviewers clarified the language , removed the word "recipient," and moved the language to section 4. |
| Comment | One commentator recommended changes to clarify that an actuary does not need to track down all recipients of the prior communication. |
| Response | The reviewers clarified the language and moved to section 4. |
| Comment | One commentator recommended moving sections 3.4 through 3.7 before section 3.3 because sections 3.4 through 3.7 apply to all actuarial communications and section 3.3 applies only to actuarial reports. |
| Response | The reviewers agree, rearranged section 3, and moved language related to required disclosures to section 4. |
| **Section 3.5, Risk of Misuse (now section 3.3)** | |
| Comment | Several commentators requested examples related to the risk of misuse. |
| Response | The reviewers clarified the language but believe that examples related to the risk of misuse would not provide significant additional clarity. |
| **Section 3.6, Reliance on Other Sources** | |
| Comment | Several commentators recommended defining "other sources" in the title of this section. Several other commentators recommended that "other sources" be clarified. |
| Response | The reviewers removed this section. |
| **Section 3.7, Actuarial Documentation** | |
| Comment | One commentator suggested including a specified retention period. |
| Response | The reviewers removed this section. |
| Comment | One commentator recommended that the language refer to the amount of retained documentation that allows the actuary to explain and replicate their work. |
| Response | The reviewers removed this section. |
| Comment | One commentator said that maintaining documentation is not optional and suggested changing the words "should consider" to "should." |
| Response | The reviewers removed this section. |

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| Comment | One commentator requested the prior language, "An actuary should consider retaining sufficient information for any recurring project so that another actuary could assume the assignment," be reinstated. |
| Response | The reviewers removed this section. |
| Comment | One commentator requested clarification regarding retained documentation not being required to be shared outside the actuary's firm. |
| Response | The reviewers removed this section. |
| **SECTION 4. COMMUNICATIONS AND DISCLOSURES** | |
| Comment | One commentator recommended that any changes made to section 3, Analysis of Issues and Recommended Practices, be considered in updating section 4, Communications and Disclosures. |
| Response | The reviewers agree and moved disclosure language to section 4. |
| **Section 4.1, Required Disclosures in any Actuarial Communication** | |
| Comment | One commentator recommended that reliance on other sources in section 4.1(c)(now section 4.1[d]) should be moved to section 4.2, Required Disclosures in an Actuarial Report. |
| Response | The reviewers modified section 4 to remove the Required Disclosures in any Actuarial Communication section. |
| Comment | Several commentators recommended removing the word "required" from the title in this section and section 4.2, Required Disclosures in an Actuarial Report, because of potential confusion when combined with the phrase "if applicable" at the end of the first sentence in each section. |
| Response | The reviewers retained the word "required" in the title to be consistent with the title of section 4 in other ASOPs, removed the phrase "if applicable," and added language regarding when some disclosures may be omitted. |
| Comment | Two commentators recommended using more neutral language in place of the word "cautions" in section 4.1(b) (now section 4.1[h]) regarding disclosure about uncertainty or risk. |
| Response | The reviewers agree and changed the word "cautions" to the phrase "a statement." |
| Comment | One commentator was concerned that the wording of section 4.1(c) (now section 4.1[k] through section 4.1[n])) regarding disclosure of reliance on other sources would lead to significant duplication of documentation with every actuarial communication when reliance on other sources had been previously disclosed. |
| Response | The reviewers clarified the language in response to this comment. |
| Comment | One commentator recommended that communication of material differences described in section 3.4, Communication of Material Differences (now section 4.1[o]), be included in the list of required disclosures on actuarial communications. |
| Response | The reviewers agree and added language to section 4.1. |
| **Section 4.2, Required Disclosures in an Actuarial Report (now section 4.1)** | |
| Comment | One commentator recommended removing the word "recorded" from section 4.2(e) (now section 4.1[f]). |
| Response | The reviewers agree, removed the word "recorded," and modified the language. |

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| Comment | One commentator recommended splitting the list into items that always should be disclosed and those to be disclosed only if the item exists. |
| Response | The reviewers added clarifying language regarding when some disclosures may be omitted. |
| Comment | One commentator recommended adding an item related to including a statement in the report referencing all documents that are included within the report. |
| Response | The reviewers believe the guidance is sufficiently clear and made no change in response to this comment. |
| Comment | One commentator recommended that the required disclosure related to material assumptions set by others in section 4.2(i) (now section 4.1[n]) incorporate whether the assumption is reasonable as well as what would be reasonable. |
| Response | The reviewers agree and clarified the guidance in response to this comment. |
| Comment | One commentator recommended that the wording at the end of this section be changed from "may be limited" to "may not be required" and to delete the words "note that other" in the final sentence. |
| Response | The reviewers agree and clarified the guidance in response to this comment. |
| Comment | One commentator recommended that section 4.2(d) (now section 4.1[b]) be amended to incorporate the situation when multiple actuaries are responsible for the report. |
| Response | The reviewers agree and made the change. |
| Comment | Several commentators recommended consistency in the language of section 4.2(h) and (i) with the wording in section 3.3.3(b) (now section 4.1[n]). |
| Response | The reviewers agree and moved language from section 3 to section 4. |
| **Section 4.4, Confidential Information (now section 4.3)** | |
| Comment | One commentator requested further guidance on what is reasonable or permissible to disclose if preparing ASOP No. 41 disclosures would require disclosing confidential information. |
| Response | The reviewers believe the guidance is appropriate and made no change in response to this comment. |
| Comment | One commentator was concerned that confidentiality should not be used to keep from providing clear disclosures and recommended such language. |
| Response | The reviewers note that this section and the language is consistent with that of other ASOPs and made no change in response to this comment. |