

**Title of Exposure Draft: Proposed Revision of Actuarial Standard of Practice (ASOP) No. 29**

**Comment Deadline: May 1, 2023**

Instructions: Please review the exposure draft and give the ASB the benefit of your recommendations by completing this comment template. Please fill out the tables within the section below, adding rows as necessary. Sample for completing the template provided at the following link: <http://www.actuarialstandardsboard.org/email/2020/ASB-Comment-Template-Sample.docx>

Each completed comment template received by the comment deadline will receive consideration by the drafting committee and the ASB. The ASB accepts comments by email. Please send to [comments@actuary.org](mailto:comments@actuary.org) and include the phrase 'ASB COMMENTS' in the subject line. Please note: Any email not containing this exact phrase in the subject line will be deleted by our system's spam filter.

The ASB posts all signed comments received to 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 to 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.

**I. Identification:**

Name of Commentator / Company
Amy Angell, MAAA, FCAS Vice President, Casualty, American Academy of Actuaries, on behalf of the Casualty Practice Council

**II. ASB Questions (If Any). Responses to any transmittal memorandum questions should be entered below.**

Question No.	Commentator Response

**III. Specific Recommendations:**

Section # (e.g. 3.2.a)	Commentator Recommendation (Please provide recommended wording for any suggested changes)	Commentator Rationale (Support for the recommendation)
3.11 and 3.12	<p>3.11 Reliance on Others for Data, Projections, Models, and Supporting Analysis—<b>The actuary may rely on data, projections, models, and supporting analysis supplied by others.</b> When practicable, the actuary should review the data, projections, models, and supporting analysis for reasonableness and consistency. For further guidance, the actuary should refer to ASOP Nos. 23, Data Quality, 41, Actuarial Communications, and 56, Modeling.</p> <p>3.12 <b>Reliance on Intended Measures, Methods, Models, or Assumptions Selected by Another Party</b>—When relying on intended measures, methods, models, or assumptions selected by another party, the actuary should refer to ASOP No. 41 for guidance.</p>	<p>Sections 3.11 and 3.12 seem duplicative and seem to overlap. For example, it is unclear what the difference is between a “model supplied by others” and a “model selected by another party”.</p> <p>The CPC also are concerned with the term “practicable” as it is defined as “that can be done or put into practice” (according to Websters). In effect the term requires a peer review of the work provided by others, whenever possible. This seems counter to the common role of actuaries working in a team environment. The language in 3.13 may be more appropriate, as that language seems to require reasonable assurance that the work or data being relied upon is of sufficient quality.</p>

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3.11 and 3.13	<p>3.11 Reliance on Others for Data, Projections, Models, and Supporting Analysis—The actuary may rely on data, projections, models, and supporting analysis supplied by others. <b>When practicable, the actuary should review the data, projections, models, and supporting analysis for reasonableness and consistency.</b></p> <p>3.13 Reliance on Another Actuary—The actuary may rely on another actuary who has developed a portion of the expense provisions. However, <b>the relying actuary should be reasonably satisfied that the other actuary is qualified to perform such work, the supporting analysis was performed in accordance with applicable ASOPs, and the analysis is appropriate for the intended use.</b></p>	The standard of review appears to be higher in Section 3.11 than in Section 3.13. Is Section 3.11 only intended to apply when relying on a non-actuary?
4.1	<p>Recommend reconsidering the list of other ASOPs referenced in the first sentence:</p> <p>“Required Disclosures in an Actuarial Report—When issuing an actuarial report to which this standard applies, <b>the actuary should refer to ASOP Nos. 13, 23, 41, 53, and 56.</b> In addition, the actuary should disclose the following in such actuarial reports:”</p>	<p>It is unclear whether this represents the complete list of other ASOPs that may be appropriate for reference. For example, ASOP Nos. 20 and 25 could apply in some situations. The inclusion of the list suggests that those are the <i>only</i> ASOPs to which the actuary should refer.</p> <p>The CPC recommend instead that an ASOP not list all the required ASOPs that may be applicable as such a list can easily become dated and is unlikely to be complete in all instances.</p>
4.1.e	<p>4.1.e. the extent of any reliance on data, projections, models, and supporting analysis <b>supplied by others</b> (see section 3.11);</p> <p>4.1.f. the extent of any reliance on methods, models, or assumptions <b>selected by another party</b> (see section 3.12);</p>	Is a model selected by another party not also a model supplied by another party?

**IV. General Recommendations (If Any):**

Commentator Recommendation (Identify relevant sections when possible)	Commentator Rationale (Support for the recommendation)

**V. Signature:**

Commentator Signature	Date
Amy Angell, MAAA, FCAS	May 1, 2023