

December 8, 2017

Actuarial Standards Board  
1850 M Street, NW, Suite 300  
Washington DC 20036

**Subject: ASOPs 27 and ASOP 35**

Dear Actuarial Standard Board:

Thank you for the opportunity to attend and observe the meeting yesterday. I wanted to make the following three comments germane to the conversation yesterday:

1. On the assumption phase-in, the exposure drafts contemplate that the phased-in assumption is reasonable at each measurement date during the phase-in period. This requirement might be strengthened if there was also an explicit requirement that the phased-in assumption be consistent with other assumptions on each measurement date during the phase-in period.
2. On the disclosure requirement regarding old morality tables, it might be clearer to have the actuary disclose adjustments (if any) that have been made to the table to reflect mortality improvement as part of the justification for using the table. Kathy mentioned that it is possible that an actuary may have adjusted the table, and I agree with this.

Additionally, for both the benefit of the user and to encourage more rigorous actuarial thought, it may be helpful to have the actuary disclose sample life expectancies under the assumed old table (after adjustments) and a more modern table. The names of tables and mortality rates are not meaningful for users, but at least some users will have an understanding and reaction to life expectancies.

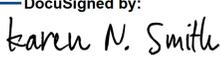
These changes will re-inforce the ASBS's goal of having actuaries use more up-to-date tables, adjust older tables as appropriate or have a strong rationale for using older tables.

3. On the mortality improvement section, it would be helpful if the actuary was required to explicitly disclose what mortality improvement assumption (if any) was applied to Section 417(e) mortality assumption if applicable.

I don't have a copy of the current exposure drafts, so I can't provide explicit text or references. If it is not appropriate to consider these comments now, I will review the exposure drafts when released, and if appropriate, re-submit these comments.

My comments are my individual comments and do not represent any organization.

Sincerely,

DocuSigned by:  
  
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Karen Smith