



ACTUARIAL STANDARDS BOARD

**Actuarial Standard
of Practice
No. 19**

**Appraisals of
Casualty, Health, and Life Insurance Businesses**

Revised Edition

**Developed by the
Task Force to Revise ASOP No. 19 of the
Life Committee of the
Actuarial Standards Board**

**Adopted by the
Actuarial Standards Board
June 2005
Updated for Deviation Language Effective May 1, 2011**

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TO: Members of Actuarial Organizations Governed by the Standards of the Actuarial Standards Board, and Other Persons Interested in Appraisals of Value of Casualty, Health, and Life Insurance Businesses

FROM: Actuarial Standards Board (ASB)

SUBJ: Actuarial Standard of Practice (ASOP) No. 19

This booklet contains the final version of the revision of ASOP No. 19, *Appraisals of Casualty, Health, and Life Insurance Businesses*.

Background

The ASB originally adopted ASOP No. 19, then titled *Actuarial Appraisals*, in 1991. The former ASOP was prepared by the Actuarial Appraisal Task Force of the Life Committee of the ASB. The current task force has prepared this revision of ASOP No. 19 to be consistent with the current ASOP format and to reflect current, generally accepted actuarial practices with respect to actuarial appraisals and other appraisals.

Exposure Draft

The exposure draft of this ASOP was issued in June 2004, with a comment deadline of November 30, 2004. Thirteen comment letters were received. The task force carefully considered all comments received and made clarifying changes to the language in some sections. For a summary of the substantive issues contained in the exposure draft comment letters and the task force's responses, please see appendix 2.

The most significant change from the exposure draft is that the task force revised section 4.3, which deals with the use of the term "actuarial appraisal" in reference to an appraisal performed by an actuary. The revised section 4.3 requires that an actuary not use the term "actuarial appraisal" to refer to an appraisal that does not meet the definition of an actuarial appraisal contained in the standard. Section 4.3 in the exposure draft required that a report on an appraisal that did not meet the definition contain a statement that it was not an actuarial appraisal.

The task force thanks everyone who took the time to contribute comments on the exposure draft.

The ASB voted in June 2005 to adopt this standard.

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ACTUARIAL STANDARD OF PRACTICE NO. 19

APPRAISALS OF CASUALTY, HEALTH, AND LIFE INSURANCE BUSINESSES

STANDARD OF PRACTICE

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

- 1.1 **Purpose**—This actuarial standard of practice (ASOP) provides guidance to actuaries when performing professional services with respect to appraisals of casualty, health, and life insurance businesses.
- 1.2 **Scope**—This standard applies to actuaries when performing professional services with respect to appraisals of casualty, health, and life insurance businesses, as defined in section 2.7.

If the actuary departs from the guidance set forth in this standard in order to comply with applicable law (statutes, regulations, and other legally binding authority), 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 consider the guidance in this standard to the extent it is applicable and appropriate.
- 1.4 **Effective Date**—This standard is effective for all appraisals of casualty, health, and life insurance businesses initiated on or after November 1, 2005.

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Section 2. Definitions

The terms below are defined for use in this actuarial standard of practice.

- 2.1 **Actuarial Appraisal**—An appraisal of an insurance business presenting a set of actuarial appraisal values. A set of actuarial appraisal values is based on a range of discount rates or a range of assumption sets but may in certain circumstances present a single unique value for the business.
- 2.2 **Actuarial Appraisal Value**—The present value, calculated as of the appraisal date, of projected distributable earnings of an insurance business where the distributable earnings are based on a set of assumptions.
- 2.3 **Appraisal**—An assessment of the value of an insurance business including, but not limited to, an actuarial appraisal.
- 2.4 **Appraisal Date**—The date as of which an appraisal value is assessed.
- 2.5 **Discount Rate**—The rate used to discount projected earnings to determine a present value used in an appraisal.
- 2.6 **Distributable Earnings**—Amounts that an insurance business can distribute while retaining the level of capital required to support its ongoing operations. Distributable earnings consist of earnings of an insurance business computed using the applicable regulatory accounting basis, adjusted to allow for the injection or release of regulatory capital and surplus, in recognition of appropriate capital and surplus levels needed to support ongoing operations. A regulatory accounting basis is the basis required by the insurance supervisory authority in a particular jurisdiction to be used for financial statement filings by insurance companies and similar entities in that jurisdiction.
- 2.7 **Insurance Business**—An enterprise involved in assuming insurance risk, such as one or any combination of the following: an insurance company or health maintenance organization; a collection of policies or contracts in-force that cover insurance risk; and a distribution system that sells such policies or contracts.
- 2.8 **Intended Audience**—The persons to whom an appraisal report is directed and with whom the actuary, after discussion with the principal, intends to communicate. Unless otherwise specifically agreed, the principal is always a member of the intended audience. In addition, other persons or organizations, such as investors or regulators, may be designated by the principal, with consent of the actuary, as members of the intended audience.

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- 2.9 Other User—Any user of an appraisal report who is not a principal or member of the intended audience.
- 2.10 Principal—The actuary's client or employer.

Section 3. Analysis of Issues and Recommended Practices

- 3.1 Introduction—When preparing appraisals of life, health, or casualty insurance businesses, the actuary may use a variety of methods. Often, an actuarial appraisal, as defined in section 2.1, will be prepared. Other methods may also be used that may or may not involve actuarial techniques.
- 3.2 Projected Earnings—When performing an appraisal that is based on discounting projected earnings, the actuary should project earnings using a model of future (a) cash flows related to such items as premiums, investments, benefit or claim payments, and expenses; (b) accrual amounts related to these items; and (c) other items such as reserves for future policy benefits. The actuary should project cash flows in accordance with ASOP No. 7, *Analysis of Life, Health, or Property/Casualty Insurer Cash Flows*.

In the case of an actuarial appraisal, the actuary should project distributable earnings.

- 3.3 Setting Assumptions—When setting assumptions for use in an appraisal, the actuary should consider the historical experience of the insurance business, adjusted to reflect known material changes in the environment and identifiable trends to the extent such information is available. When experience of the business is unavailable or insufficient to provide a credible basis on which to develop assumptions, the actuary should consider other information sources in setting assumptions. Other information sources may include the pricing or reserving practices applicable to the insurance business and the available experience of other insurance businesses with comparable policies or contracts, markets, and operating environment.

In developing assumptions for which the actuary believes additional expertise is needed, the actuary should obtain necessary input from persons possessing the relevant knowledge or expertise, and should give due weight to their input.

When setting assumptions for use in an appraisal, the actuary should take reasonable steps to ensure that each set of assumptions used is internally consistent.

- 3.4 Discount Rate—If the appraisal is based on the discounted value of projected earnings, the actuary should consider displaying appraisal values using several discount rates.

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- 3.5 **Applicability of Appraisal**—The intended audiences for appraisals may include parties with different interests and perspectives (for example, management, investors, regulators, or sellers). The actuary should consider the legitimate circumstances, needs, and strategies of the intended audience, to the extent these are known by the actuary, in setting assumptions, choosing discount rates, and choosing what sensitivity tests to perform.
- 3.6 **Treatment of Assets**—If the appraisal involves assumptions about future returns on assets, the actuary should consider the composition of the projected asset portfolio in terms of type, quality, and maturity. The projected earnings rate of the assets should be consistent with the valuation of assets (for example, book or market). The actuary should consider the legitimate circumstances, needs, and strategies of the intended audience, to the extent these are known by the actuary, in making an assumption as to investment strategy.
- 3.7 **Modeling and Model Validation**—When the appraisal is based on projected earnings, the actuary should calculate such earnings using a model of the insurance business appropriate to the situation. The actuary should perform validation tests to determine whether the model reasonably reproduces relevant items of the balance sheet and income statements of the insurance business. When the appraisal is based on stochastic projections, the actuary should consider whether the scenarios used are appropriate to the situation.
- 3.8 **Sensitivity Testing**—When appropriate and practical in the actuary’s judgment, the actuary should address the sensitivities of the appraisal value to changes in key assumptions. The actuary should consider the intended purpose and use of the appraisal and whether the results reflect a reasonable range of variation in the key assumptions, consistent with that intended purpose and use, when determining whether these sensitivities have been appropriately addressed.
- 3.9 **Reliance on Data or Other Information Supplied by Others**—When relying on data or other information supplied by others, the actuary should refer to ASOP No. 23, *Data Quality*, for guidance.
- 3.10 **Documentation**—The actuary should create records and other appropriate documentation supporting an appraisal and, to the extent practicable, should take reasonable steps to ensure that this documentation will be retained for a reasonable period of time consistent with any statutory, regulatory or other requirements, any confidentiality or nondisclosure agreement, and company policy. The actuary need not retain the documentation personally; for example, the actuary’s principal may retain it. Such documentation should identify the data, assumptions, and methods used by the actuary with sufficient detail that another actuary qualified in the same practice area could evaluate the reasonableness of the actuary’s work.

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Section 4. Communications and Disclosures

- 4.1 **Appraisal Report**—When issuing communications under this standard, the actuary should refer to ASOP No. 23 and ASOP No. 41, *Actuarial Communications*. In addition, when preparing a report on an appraisal, the actuary should disclose the following items to the extent they are relevant to the work performed by the actuary:
- a. the scope of the assignment, including the insurance businesses being valued, and any limitations as to the availability of data;
 - b. the actuary's principal;
 - c. the duty, if any, that the actuary is assuming with respect to any user of the report other than the actuary's principal;
 - d. a description of the intended use of the report;
 - e. a description of the corporate organizational structure of the business, its distribution methods, lines of business, and products;
 - f. the appraisal date;
 - g. an appraisal value or range of appraisal values (if a single unique appraisal value is presented, an explanation of why this is appropriate);
 - h. the methodology used to develop the appraisal, reasons for the choice of methodology, and whether a financial projection is part of the methodology;
 - i. the projection model, the accounting basis used, and other key items included in the analysis;
 - j. the results of the model validation;
 - k. a discussion of the level of capital reflected in the appraisal and the basis on which the level was determined;
 - l. the assumptions, described in sufficient detail that another actuary qualified in the same practice area could evaluate their reasonableness;
 - m. the source of any assumption selected by someone other than the actuary;
 - n. the extent to which taxes have been considered and on what basis;

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- o. any sensitivity testing results deemed material by the actuary;
 - p. the source and extent of reliance on information supplied by others;
 - q. the disclosure in ASOP No. 41, section 4.2, if any material assumption or method was prescribed by applicable law (statutes, regulations, and other legally binding authority);
 - r. the disclosure in ASOP No. 41, section 4.3, if the actuary states reliance on other sources and thereby disclaims responsibility for any material assumption or method selected by a party other than the actuary; and
 - s. the disclosure in ASOP No. 41, section 4.4, if, in the actuary's professional judgment, the actuary has otherwise deviated materially from the guidance of this ASOP.
- 4.2 Variation of Results—When the actuary issues a report on an appraisal, the report should state that actual results can and will vary from projected results used to calculate appraisal values due to deviations of actual from assumed experience.
- 4.3 Appropriate Use of the Term “Actuarial Appraisal”—The actuary should not refer to an appraisal as an actuarial appraisal in any actuarial communication unless the appraisal meets the definition of an actuarial appraisal in section 2.1.
- 4.4 No Obligation to Communicate with Other Users—Nothing in this standard creates an obligation for the actuary to communicate with any person or persons other than the intended audience.

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Appendix 1

Background and Current Practices

Note: This appendix is provided for informational purposes, but is not part of the standard of practice.

Background

Actuaries perform appraisals for a number of purposes and for a variety of users, including sellers, buyers, management, and regulators. Actuaries perform appraisals of insurance businesses of various types using a variety of methods. In some cases, appraisals performed by actuaries show values that are discounted present values of earnings, distributable earnings, or other amounts. In other cases, appraisals performed by actuaries show values based on “rules of thumb” applied to reserve balances, premiums, or other amounts, or on multiples of book value or earnings on various accounting bases.

An actuarial appraisal is a specific type of appraisal. The key distinguishing feature of an actuarial appraisal is the projection of the future stream of distributable earnings attributable to the evaluated business based on the applicable regulatory accounting basis. This stream of earnings includes the runoff of claim liabilities and other liabilities carried on the balance sheet at the valuation date as projected using actuarial assumptions relating to items such as mortality, persistency, expenses, and investment return. The projections may be done for existing and new business separately or in combination. The projected earnings are then discounted at the selected discount rate(s) to derive the actuarial appraisal value.

Current Practices

In performing an appraisal of an insurance business, the actuary has a myriad of bases for assumptions from which to choose in developing projections of future earnings and ultimately deriving an appraisal value or range of appraisal values for the business. Of course, actual experience can and will vary from the assumptions selected. In actual practice, appraisal values are sometimes based on extensive analysis of confidential or proprietary information, from which thorough testing of key assumptions can be performed. In other instances, actuarial appraisals are based on more limited analysis or data because of materiality considerations or time limitations, or because internal company data are unavailable and only publicly available information can be used.

Appraisals are commonly performed in connection with the sale of an insurance business. Buyers and sellers of insurance businesses often use such appraisals to help them determine the price to be paid or received, although the value of an insurance business resulting from a negotiated

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transaction may differ materially from the value or range of values presented in an appraisal. Appraisals are sometimes used to measure fair values of an insurance business for purposes of allocating purchase price in a business combination under Statement of Financial Accounting Standards (SFAS) No. 141 or in testing impairment of identifiable intangible assets or goodwill of an insurance business under SFAS No. 142. Appraisals can also come into play in calculations of embedded values of insurance businesses for purposes of reporting financial results in an embedded value framework. It should be noted that in contrast to actuarial appraisal values, the embedded value of an insurance business typically does not include future business value.

The discount rate used to discount future earnings is a key element of the actuarial appraisal analysis and may be an element of other types of appraisal. This rate impacts both the present value of future earnings and the cost of capital. Often one discount rate is selected for the entire actuarial appraisal. However, because risks vary by product line and between in-force and new business, discount rates sometimes vary similarly, and multiple discount rates may be used in the actuarial appraisal.

Generally, regulatory accounting determines the earnings available to the owner of an insurance business, which is why actuarial appraisals are based on regulatory earnings. Future earnings based on generally accepted accounting principles (GAAP) or other accounting bases may also be relevant to the value of an insurance business. However, appraisals of value based on such other accounting bases are not considered actuarial appraisals.

The present value of distributable earnings in an actuarial appraisal is often expressed as (a) adjusted net worth; plus (b) existing business value; plus (c) future business value; and less (d) cost of capital. For certain types of business (for example, most property/casualty business), existing and future business components are frequently combined into a single component. The sum of (a) through (d) is mathematically equivalent to the present value of all distributable earnings, inclusive of any initial surplus releases or infusions at the inception of the earnings projection period, and inclusive of the release of the all capital and surplus at the conclusion of the earnings projection period.

The adjusted net worth component includes regulatory capital and surplus; any regulatory liabilities that in essence represent allocations of surplus (for example, asset valuation reserve, regulatory portions of casualty Schedule P reserves); any regulatory non-admitted assets that have realizable value; the difference between market value and book value of assets in support of adjusted net worth, and other items impacting value that are not reflected elsewhere (for example, reserve shortfalls or surplus notes).

The existing business value component equals the present value of future earnings attributable to business in force on the appraisal date, including any remaining effects of coverage previously provided, such as the runoff of claim liabilities.

The future business value component equals the present value of future earnings attributable to business issued or acquired after the appraisal date. Under some circumstances, actuarial

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appraisal values do not include a future business value component. Sometimes it is not practical to split earnings between existing business and future business, and in that case future earnings are often projected for the combined existing and future business.

The sum of the above components is often adjusted for the cost of capital so that it is equivalent to a present value of distributable earnings. The cost of capital reflects the fact that capital and surplus needed to be retained in the insurance business are not available as distributable earnings. The cost of retaining capital is often calculated based upon the differential between the after tax rate of investment return expected to be earned on retained capital and the discount rate. The amount of retained capital will depend on the level of capital believed necessary for the risks inherent in the business and to achieve desired ratings from the various rating agencies. Because different users of the actuarial appraisal will have different views on the appropriate level of retained capital, it is often useful to calculate and illustrate the cost of capital separately from the first three components of the actuarial appraisal value.

In recent years, the use of stochastic modeling approaches in performing actuarial appraisals has become more common. Stochastic methodology has been used for assumptions such as investment returns, mortality rates, and claim frequency and severity.

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Appendix 2

Comments on the Exposure Draft and Task Force Responses

The exposure draft of this proposed actuarial standard of practice (ASOP), titled *Appraisals of Casualty, Health, and Life Insurance Businesses*, was issued in June 2004, with a comment deadline of November 30, 2004. Thirteen 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 Task Force to Revise ASOP No. 19 carefully considered all comments received. Summarized below are the significant issues and questions contained in the comment letters and the task force’s responses. Unless otherwise noted, the section numbers and titles used below refer to those in the exposure draft.

GENERAL COMMENTS	
Comment	Several commentators questioned the applicability of the standard to property/casualty appraisals. Other commentators stated the scope was appropriate.
Response	The task force believed that the scope of the standard was appropriate as written. In reaching this conclusion, the task force noted that property/casualty appraisals were included in the scope of the existing ASOP No. 19, and that at the request of the ASB, a property/casualty actuary actively participated in the drafting of the standard. In addition, after receiving these comments, the task force consulted several property/casualty actuaries, including the Casualty Practice Council, and the responses indicated that the scope was appropriate.
Comment	One commentator questioned why the ASOP was assigned to the ASB Life Committee.
Response	The ASB assigns ASOPs that might apply to more than one practice area, but not necessarily to all practice areas, to the operating committee that it deems most appropriate. The ASB usually bases this determination on which committee represents the practice area that would be most affected by the ASOP or has the most history with the development or periodic review of the ASOP. In this case, the ASB assigned ASOP No. 19 to the ASB Life Committee but requested health and property/casualty members be recruited for the task force.
Comment	One commentator suggested that “embedded value” be defined in the standard.
Response	The task force added a definition of “embedded value” in appendix 1.
The task force implemented editorial changes in addition to those addressed specifically below if they enhanced clarity and did not alter the intent of the section.	
SECTION 2. DEFINITIONS	
Section 2.1, Actuarial Appraisal	
Comment	One commentator suggested that the definition should mention that distributable earnings projections should reflect the applicable regulatory accounting basis.
Response	The task force believed that section 2.7 (now 2.6) sufficiently covered this concern.

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Comment	One commentator was concerned that the specific definition of an actuarial appraisal in the standard could put U.S. actuaries at a disadvantage when asked to perform an appraisal of a non-U.S. entity.
Response	The task force believed that, while this could be the case, it was important to have a clear definition of this term.
Section 2.7, Distributable Earnings (now 2.6)	
Comment	One commentator urged that the standard provide guidance as to what is the level of “appropriate capital.”
Response	The approaches to determining the level of required capital continue to evolve, and the appropriate level of capital has varied over time with the evolution of regulatory accounting and will likely vary in the future. For these reasons, the task force believed that the determination of the appropriate level of capital should not be addressed in the standard. Note, however, that Section 4.1(k) requires disclosure of the level of capital and the rationale for that level.
Comment	One commentator suggested that this definition did not correctly describe the recognition of capital flows in the determination of distributable earnings.
Response	The task force agreed and revised the definition to reflect more clearly the recognition of capital flows.
Section 2.8, Insurance Entity (now 2.7, Insurance Business)	
Comment	Several commentators believed that the term “insurance entity” could be misunderstood to refer to a legal entity and that a more descriptive term such as “insurance business” would better convey the intended meaning.
Response	The task force agreed and changed the defined term to “insurance business.”
SECTION 3. ANALYSIS OF ISSUES AND RECOMMENDED PRACTICES	
Section 3.1, Introduction	
Comment	One commentator suggested the second sentence be revised. The commentator acknowledged that in some types of work, particularly certain property/casualty work, it is not typical that an actuarial appraisal will be done.
Response	The task force agreed and changed the word “typically” to “often.”
Section 3.2, Projected Earnings	
Comment	Several commentators suggested the definition of projected earnings should be clarified.
Response	The task force explicitly included the terms “investment earnings” and “claim payments” in the discussion of cash flow and accrual amounts to clarify the definition.
Section 3.4, Discount Rate	
Comment	One commentator believed that this section left the impression that an actuarial appraisal should be performed based on a single deterministic set of assumptions, as opposed to a stochastic approach. The commentator believed that this was not an accurate reflection of current trends in actuarial practice.
Response	The task force agreed that stochastic approaches to performing actuarial appraisals are an important part of current practice in this area, revised section 3.7 to include review of stochastic scenarios, and added a section to appendix 1 that discusses stochastic methods applied to appraisals.
Section 3.5, Applicability of Appraisal	
Comment	One commentator suggested that reference to sensitivity testing be included.
Response	The task force agreed and added wording to this section to address sensitivity testing.

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Comment	One commentator asked if the actuary should consider the perspective of the entity initiating the appraisal.
Response	The task force believes that this has been addressed, in that section 3.5 states the actuary should consider the circumstances, needs, and strategies of the intended audience for the appraisal.
Section 3.6, Treatment of Assets	
Comment	One commentator suggested deleting the phrase “that support related liabilities” from the first sentence of this section since there could also be assets supporting required surplus.
Response	The task force agreed and deleted the phrase.
Comment	One commentator suggested adding wording to state that projected earnings rates should be consistent with a company’s current investment strategy.
Response	Although this will often be the case, the task force believes that it may be appropriate at times for an appraisal to reflect an investment strategy different from a company’s current strategy and made no change.
Section 3.7, Modeling and Model Validation	
Comment	One commentator suggested adding guidance regarding when an actuary should do stochastic testing.
Response	The task force carefully considered this issue and noted that any recommendation on when to use stochastic testing is likely to be obsolete quite quickly as this is a rapidly changing area. The task force concluded that the choice of appropriate methodology should be left to the professional judgment of the actuary given the particular circumstances involved and made no change.
Section 3.9, Documentation (now 3.10)	
Comment	One commentator suggested that the term “actuary’s employer” be changed to “actuary’s principal” as it relates to retention of documentation.
Response	The task force agreed and changed the term to “actuary’s principal.”
SECTION 4. COMMUNICATIONS AND DISCLOSURES	
Section 4.1, Appraisal Report	
Comment	One commentator believed the report should include a summary of information provided/reviewed in connection with performing the appraisal.
Response	The task force believed that the disclosures called for in sections 4.1, 4.3, and 4.4 sufficiently covered what the commentator suggested.
Section 4.3, Required Disclosure If Not an Actuarial Appraisal (now Appropriate Use of the Term “Actuarial Appraisal”)	
Comment	Several commentators thought that the disclosure required by section 4.3 was inappropriate, that it could be confusing to some readers, and that it perhaps could lead some actuaries to an inappropriate application of an actuarial appraisal simply to avoid the disclosure.
Response	The task force agreed that it was more important to disclose what was done rather than what was not done and revised the language in sections 4.3, 4.1(h), and 4.1(i) to address this concern.
Comment	Two commentators challenged the necessity for this type of disclosure.
Response	<p>The task force believed that only appraisals that meet the definition in this standard should be considered actuarial appraisals. The task force wanted to distinguish any appraisal done by an actuary from an actuarial appraisal that meets the definition per this standard.</p> <p>The task force revised the requirements of section 4.3 to state that actuarial communications related to an appraisal that does not meet the definition of an actuarial appraisal contained in this standard should not refer to the appraisal as an actuarial appraisal.</p>

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Comment	One commentator thought that there might be an inconsistency between this section and ASOP No. 41, <i>Actuarial Communications</i> , and asked what an actuary calls an actuarial communication that is an appraisal but not an actuarial appraisal as defined in ASOP No. 19.
Response	While acknowledging that this may be somewhat awkward, the task force believed that this problem would not prevent the actuary from preparing a suitable communication and disclosure and made no change.
Section 4.7, Deviation from Standard (now 4.6)	
Comment	One commentator thought that section 4.7 (now 4.6) was too harsh without proper context as might be found in the proposed <i>Introduction to the Actuarial Standards of Practice</i> .
Response	The task force revised this section to be consistent with the new wording developed by the ASB in light of the adoption of the <i>Introduction to the Actuarial Standards of Practice</i> .
APPENDIX (now Appendix 1)	
Comment	One commentator thought that since appraisals are often based on a set of stochastic projections, this should be acknowledged in the appendix.
Response	The task force agreed and added language on stochastic projections to the appendix.
Comment	One commentator thought that the discussion of current practices should make clearer the distinction between an appraisal value itself and the items, such as price or fair value, that may be influenced by the appraisal value.
Response	The task force believed the existing language was clear and made no change.