

**Title of Exposure Draft:** Treatment of Catastrophe or Extreme Event Losses in Future Cost Estimates for Property/Casualty Risk Transfer and Risk Retention

**Comment Deadline:** June 1, 2025

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
<a href="#">Pinnacle Actuarial Resources, Inc.</a>

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

Question No.	Commentator Response
1	<a href="#">The exposure draft does not overlook any significant approaches to estimating future costs of catastrophes or extreme events.</a>
2	<a href="#">The definition of scenario analysis in section 2.5 appears clear. Guidance on using scenario analysis in later sections also appears clear.</a>
3	<a href="#">Guidance on reasonableness in parts of section 3 appears clear. A separate section for reasonableness in section 3.11 may be seen as redundant to other ASOPs which also discuss the topic.</a>

**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)
2	<a href="#">Add a definition of "Extreme Event Model"</a>	<a href="#">In addition to CAT models, modeling for extreme events such as Class Action lawsuits, A&amp;E, cyber, financial misconduct, and others, is being used.</a>
3.4.3, 3.4.4, 3.8, elsewhere	<a href="#">Expand any reference in the standard from "Catastrophe Model" to "Catastrophe / Extreme Event Model"</a>	<a href="#">There are Extreme Event models currently in use that parallel CAT models and should be put on equivalent footing.</a>

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

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

**V. Signature:**

**Title of Exposure Draft:** Treatment of Catastrophe or Extreme Event Losses in Future Cost Estimates for Property/Casualty Risk Transfer and Risk Retention

**Comment Deadline:** June 1, 2025

Commentator Signature	Date
The comments above are the collected comments of the consultants employed or affiliated with Pinnacle. If you have any questions regarding our comments, please contact Laura Maxwell, Pinnacle’s Professional Standards Officer, at <a href="mailto:lm Maxwell@pinnacleactuaries.com">lm Maxwell@pinnacleactuaries.com</a> . Laura A. Maxwell, FCAS, MAAA, CSPA	5/29/2025