

Comparison of ASOP 53 and CAS Principles of Ratemaking

Considerations and definitions discussed in both documents

Statement of Principles Consideration (Section III)	ASOP 53 Analysis of Issues (section 3)	
Exposure Unit	3.6	Exposure Base
Data	3.4	Data Quality
	3.8	Use of Historical Data
Organization of Data	3.3	Organization of Data
Credibility	3.11	Credibility
Trends	3.8.3	Trends
Catastrophes	3.12	Treatment of Catastrophes
Change in Mix of Business	3.8.4.b	Adjustments to Historical Data
Reinsurance	3.14	Reinsurance
Operational Changes	3.8.4.e	Adjustments to Historical Data
Other Influences	3.8.4.a	Adjustments to Historical Data
Classification Plans	3.7	Risk Classification System
Risk Load	3.2	Intended Measure
Investment and Other Income	3.15	Profit and Contingencies and the Cost of Capital
Expense Definitions (Section I)	3.9	Expenses

Considerations covered in other ASOP's

Homogeneity	ASOP 12	Risk Classification 2.5 Homogeneity 3.3.2 Actuarial Considerations
Actuarial Judgment	ASOP 1	Introduction to ASOPS 2.9 Professional Judgement 3.1.3, 3.1.4

Other considerations in ASOP 53 not mentioned in Statement of Principles

- Methods, Models and Assumptions
- Considerations for New Coverages
- Infrequent Events other than Catastrophes
- Additional Funding Sources (refers to assessments)

Items in Statement of Principles considerations not specifically covered by ASOP 53 or related ASOPs

- Loss Development
- Individual Risk Rating