

3 comment letters were received in response to the exposure of the c NAIC Remarks

Milliman	A.3.a	It may not be possible to level premiums at such a granular level in all situations, due to lack of data availability or other reasons. We suggest adding language to clarify that an insurer may pursue a temporal control variable (as mentioned in General Insurance Ratemaking, section 5.1.3) when necessary.	A.3.a was copied from the original GLM appendix without changes. It is unchanged so that it does not become inconsistent with the other white paper appendices.
Akur8	B.1.a	Recommended additional comment: A main drawback of GLMs is assigning full credibility to the data, and a main benefit of penalized regression is the assignment of partial credibility to the data. The ability of RGLMs to help avoid overfitting through the assignment of partial credibility is expected to be a core reason for their adoption.	The suggested commentary was added to the "Comments" column for B.1.a
Akur8	B.1.b	Recommended additional comment: Note published at the time that these comments were sent, but a pre-read has been sent to the NAIC Predictive Modeling Task Force. We reference this document because we have tried and failed to condense our comments to help the evaluation of nonstandard complements into a reasonable	

size for the appendix.

Akur8

		<p>the case. The value of the penalty parameter does not help to evaluate a model, as 0.1 and 0.0001 may be equally appropriate penalty parameters for models on datasets of different sizes, perils, coverages, or model types. Second, we recommend that the selection process of the hyperparameters as well as any more relevant hyperparameters (such as the number of knots in the MGCV package's GAM) remain as a level 2 item. These items, unlike the penalty value itself, can provide significant value during model validation. We agree with the author that an explanation of how these parameters were chosen is a level 2 review item. . Alternately, a note can be added: "The exact value of the ridge/lasso/elastic net penalty parameter holds no meaning, so the reviewer should not scrutinize the value, but instead confirm that the process of selecting such a parameter is sound."</p>	
Allstate	B.2.h	<p>Allstate recommends removing information element B.2.h from the white paper. Providing coefficients for different hyperparameter values would require significant effort while offering little to no value to the regulatory review of the filed model.</p>	

Milliman	B.4.b	throughout its entirety or show strong new trend reversals. We suggest that coefficient ranges could also be reviewed by-year or by-segment to assess a model's stability.	The following was added to the comments: "Coefficient ranges could also be reviewed by year or by other dataset segments to assess model stability."
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