

ASB Releases Exposure Draft on the Proposed Repeal of ASOP No. 31

The ASB has published an exposure draft of the proposed repeal of Actuarial Standard of Practice (ASOP) No. 31, *Documentation in Health Benefit Plan Ratemaking*.

The ASB has reviewed ASOP No. 31 and compared its guidance to ASOP No. 41, *Actuarial Communications*, and other ASOPs. The Board concluded that the guidance in ASOP No. 31 is addressed in ASOP No. 41 (both the existing version and the proposed revision) and other ASOPs, so ASOP No. 31 should be repealed.

To download the exposure draft, go to www.actuarialstandardsboard.org/exposure.asp. The deadline for comments is December 31, 2008.

ASB Approves Exposure Draft for ASOP No. 41

The ASB has approved for exposure a draft of a revision to ASOP No. 41, *Actuarial Communications*.

The goal of the ASOP No. 41 revision is (1) to make it clear the actuary is responsible for any assumptions and methods underlying the actuarial communication unless they are disclaimed, (2) to standardize the treatment of deviation among all ASOPs, and (3) to clarify the ASOP's wording and structural arrangement.

To download the exposure draft, go to www.actuarialstandardsboard.org/exposure.asp. The deadline for comments is December 31, 2008.

ASB Approves Final Deviation Language

The ASB has approved as a final document the *Deviation Language for Standards and Removal of References to PSAOs From Standards (All Practice Areas)*. This document ensures that the material on deviation is uniform in all ASOPs

and outlines the sections to appear in all ASOPs to address deviation. It also outlines the removal of references to Prescribed Statements of Actuarial Opinions (PSAOs) in all ASOPs.

Please note that this document will take effect when the final version of the revision to ASOP No. 41 is approved.

To download the final version, go to www.actuarialstandardsboard.org/pdf/deviation_112.pdf.

ASB Approves Revision to Introduction to the ASOPs

The ASB has approved a revision to the *Introduction to the Actuarial Standards of Practice (ASOPs)*.

This revision clarifies the language in sections 3.1.2 and 3.1.3 (now 3.1.3 and 3.1.4) regarding the process that the ASB follows when developing ASOPs, removed language in 3.2.3 that related to prescribed statements of actuarial opinion (PSAOs), and altered the language in section 4.6 to conform to the newly adopted *Deviation Language for Standards and Removal of References to PSAOs From Standards (All Practice Areas)*.

To download the revised *Introduction to the ASOPs*, go to www.actuarialstandardsboard.org/pdf/asops/Introduction_113.pdf.

ASB Issues Request for Comments on ASOP Content, ASB Procedure

The ASB has issued a request for comments on ASOP content and ASB procedure.

This request for comments asks how the profession views the ASB and the ASOPs it produces. This is the first step in a review of ASB procedures. The ASB may propose further revisions to the *Introduction to the ASOPs* if it determines such changes are appropriate.

To download the request for comments, go to www.actuarialstandardsboard.org/exposure.asp. The deadline for comments is December 31, 2008.

ASB AGENDA PROJECTS

Fall 2008

CASUALTY COMMITTEE ■						
Subject Area	Qtr. 2008				Comments	
	1	2	3	4		
ASOP No. 36 revision (statements of actuarial opinion regarding property/casualty loss and loss adjustment expense reserves)	P	P	R		The Casualty Committee is currently monitoring discussions within the profession to determine whether there is consensus on key issues related to disclosure requirements and is working to revise the ASOP.	
ASOP No. 9 repeal (documentation and disclosure in property and casualty insurance ratemaking, loss reserving, and valuations)	R	R	R		The ASB has reviewed the document and has decided to defer its repeal until revisions to ASOP No. 41, <i>Actuarial Communications</i> , are finalized.	
ASOP No. 38 revision (using models outside the actuary's expertise)	R	R	R		The ASB has transferred the draft to the Casualty Committee for further revision as a standard applicable only to the casualty practice area.	
GENERAL COMMITTEE ■						
Subject Area	Qtr. 2008				Comments	
	1	2	3	4		
ASOP No. 41 revision (actuarial communications)	R	R	E		The ASB has released the revision to ASOP No. 41 as an exposure draft. The comment deadline is December 31, 2008.	
HEALTH COMMITTEE ■						
Subject Area	Qtr. 2008				Comments	
	1	2	3	4		
ASOP No. 31 repeal (documentation in health benefit plan ratemaking)		D	E		The ASB released the proposed repeal of ASOP No. 31 as an exposure draft. The comment deadline is December 31, 2008.	

LIFE COMMITTEE ■					
Subject Area	Qtr. 2008				Comments
	1	2	3	4	
Principles-based approach reserves	PD	PD	PD		The task force is monitoring developments in regulation in this area and has begun work on a discussion draft.
Independent Review of Principles-Based Valuations	PD	PD	PD		The task force is monitoring developments in regulation in this area and has begun work on a discussion draft.
ASOP No. 10 revision (methods and assumptions for use in life insurance company financial statements prepared in accordance with GAAP)		D	D		The Board has authorized the Life Committee to create a task force to update ASOP No. 10 to make it current with regard to changes in accounting standards.

PENSION COMMITTEE ■					
Subject Area	Qtr. 2008				Comments
	1	2	3	4	
ASOP No. 27 (selection of economic assumptions for measuring pension obligations)	E	E	R		The committee is currently reviewing the comments received on the request for comments.

Legend: **PD**—Planning/Discussion **P**—Proposal for Standard **D**—Drafting **E**—Exposure Draft
SE—Second Exposure Draft **TE**—Third Exposure Draft **R**—Revisions/Redrafting **F**—Final Pronouncement **DS**—Development Suspended

ASB to Revise ASOP No. 10

The ASB has approved the ASB Life Committee's recommendation to revise ASOP No. 10, *Methods and Assumptions for Use in Life Insurance Company Financial Statements Prepared in Accordance with GAAP*.

ASOP No. 10 provides guidance in establishing methods and assumptions for use in life insurance companies' financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP). The ASB plans to remove interpretations of GAAP from the ASOP, and leave such interpretations to the accounting profession.

The Board plans to release an exposure draft outlining changes to the ASOP in 2009.

ASB to Meet December 8–9, 2008 in Washington

The next scheduled meeting of the ASB will be December 8–9, 2008, at the Academy offices in Washington. For more information, contact the ASB at (202) 223-8196.

■ Looking Ahead...

The ASB will review the following documents at its December meeting:

- Revision of ASOP No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking*
- Revision of ASOP No. 36, *Statement of Actuarial Opinion Regarding Property/Casualty Loss and Loss Adjustment Expense Reserves*

■ Meeting Schedule of the Actuarial Standards Board

December 8–9
March 9–10, 2009
June 16–17
December 2–3

All ASB meetings are open to the public. Except where otherwise noted, meetings take place at the American Academy of Actuaries' office in Washington, DC. Please contact the ASB office at asb@actuary.org for more information.

The Actuarial Standards Board (ASB) establishes and improves standards of actuarial practice. These Actuarial Standards of Practice (ASOPs) identify what the actuary should consider, document, and disclose when performing an actuarial assignment. The ASB's goal is to set standards for appropriate practice for the U.S.

When creating or revising an ASOP the ASB

- 1. reviews and evaluates current and emerging practices;*
- 2. determines appropriate guidance;*
- 3. publishes an exposure draft to obtain input from actuaries and other interested parties;*
- 4. considers all comments received; and*
- 5. publishes a final standard or another exposure draft.*

The ASB Boxscore
©2008. All rights reserved.

Editor/ASB Program Manager

Joe Vallina
vallina@actuary.org

Contributing Editor

Erica Kennedy
kennedy@actuary.org

Actuarial Standards Board
1100 Seventeenth Street, NW
Seventh Floor
Washington, DC 20036
Phone: 202-223-8196
Fax: 202-223-1248
E-mail: ASB@actuary.org
www.ActuarialStandardsBoard.org