

ACTUARIAL STANDARDS BOARD QUARTERLY REPORT FOR Q4 2008

ASB Considers Academy Request to Develop New Pension ASOP

At its December 2008 meeting, the ASB discussed at length the request from the American Academy of Actuaries' Board of Directors to examine the possibility of developing an ASOP to consistently measure the economic value of pension plan assets and liabilities.

During the discussion, Interim ASB Pension Committee Chair Frank Todisco reviewed the history of the issue in the pension practice area and outlined the many issues involved in the current debate between proponents of a financial economics approach and those who prefer the traditional actuarial approach, especially in regard to public plans.

The ASB directed its Pension Committee to review the issue further and report back to the ASB with its recommendations.

ASB Continues Work on ASOP No. 36

The ASB's Casualty Committee continues to work on a revision of ASOP No. 36, *Prescribed Statements of Actuarial Opinion Regarding Property/Casualty Loss and Loss Adjustment Expense Reserves*.

The ASB and the ASB Casualty Committee are currently preparing a new exposure draft that will update the document and provide clearer guidance to casualty actuaries. The ASB will review and possibly approve the new exposure draft at its next regularly scheduled meeting in March.

ASB to Develop ASOP on Principle-Based Capital

The ASB is developing a new ASOP on principle-based capital. Recent changes in the regulatory environment make it likely that implementation of principle-based reserves will not take place for several years. At the same time, the need for a principle-based calculation of certain elements of regulatory risk-based capital is likely within just a few years. As a result, the ASB has authorized its Principle-Based Reserve Task Force to revise the discussion draft into a potential exposure draft that explores principle-based capital.

ASB Approves 2009 Committee Rosters

At its December 2008 meeting, the ASB reviewed and approved the proposed rosters for all of its committees for 2009. They are as follows:

- **Pension Committee:** Frank Todisco, interim chair, Mita Drazlov, Don Morgan, Tim Ryor
- **Life Committee:** Charles Carroll, chair, Jeremy Brown, Michael Cioffi, Dale Hagstrom, Esther Milnes, David Rogers
- **Task Force on Principles-Based Reserves:** Frank Irish, chair, Arnold Dicke, Allan Ryan, Esther Milnes, Robert Stein, Michael Streck
- **Task Force on Independent Review of Principles-Based Valuations:** Charles Carroll, chair, Jeremy Brown, Frank Irish, Jacqueline Keating, John Morris
- **Health Committee:** Paul Fleischacker, chair, Michael Abroe, Robert Cosway, James Gutterman, John Lloyd, Cindy Miller, Nancy Nelson
- **Casualty Committee:** Patrick Woods, chair, Steven Armstrong, Raji Bhagavatula, Beth Fitzgerald, Bertram Horowitz, Claus Metzner, David Otto, Alfred Weller
- **General Committee:** Tom Custis, chair, Mike Abroe, Peter Hendee, William Schreiner, Marty Simons, Chet Szczepanski, Armand Yambao

Committee rosters can be amended throughout the year at the discretion of the ASB. Up to date committee rosters can always be accessed at the ASB's website at the following address: www.actuarialstandardsboard.org

ASB to Conduct Member Survey

The ASB has contracted with a private consulting firm, The Haefer Group, to conduct a member survey in spring 2009. The Board expects that the results of this survey will give better insight into how the profession views the ASB and the ASOPs and will assist the ASB in maximizing its benefit to the profession.

The survey will be mailed to all actuaries practicing in the U.S., and respondents will have the option of mailing in their responses or completing the survey online.