

ACTUARIAL STANDARDS BOARD QUARTERLY REPORT FOR Q1 2012

ASB Approves Exposure of ASOP Nos. 22 and 28 Revisions

At its March meeting, the ASB approved an exposure draft of revisions to ASOP No. 22, *Statements of Opinion Based on Asset Adequacy Analysis by Actuaries for Life and Health Insurers*, and ASOP No. 28, *Statements of Actuarial Opinion Regarding Health Insurance Liabilities and Assets*. ASOP No. 28 provides an explicit exclusion for actuaries preparing statements of actuarial opinion for life insurance companies. The ASB believes that the standards of practice delineated in ASOP No. 28 are appropriate for health insurance liabilities and health insurance assets included in statements of actuarial opinion for life insurance companies, and should be made applicable. The exposure draft provides new language for certain sections of ASOP Nos. 22 and 28 to illustrate this relevance. The ASB encourages comments on all sections of the exposure draft and is particularly interested in thoughts on whether this expansion of the scope of ASOP No. 28 to cover health insurance work done in connection with ASOP No. 22 is appropriate. The comment deadline is May 15, 2012.

ASB Approves Risk Evaluation Exposure Draft

The Task Force on Enterprise Risk Management (ERM) presented a proposed exposure draft on risk evaluation to the ASB at its March meeting. The ASB approved the exposure, which has been drafted to guide the actuary in preparing for requirements and requests for assessment of the risk evaluation part of the risk management system. The ERM Task Force was formed in the fall of 2009 to revisit the need for ERM standards that were previously addressed by an earlier task force in 2007. In June 2010, the Task Force presented findings to the ASB and was then asked to go forward with the development of standards for two broad topics relating to ERM: Risk Evaluation and Risk Treatment. The Task Force plans to present its exposure draft on risk treatment to the ASB in June. The comment deadline is June 30, 2012.

ASOP No. 6 Approved as Exposure Draft

The Subcommittee on Retiree Group Benefits recently presented a proposed revision of ASOP No. 6, *Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Plan Costs or Contributions*, to the ASB. With ASOP No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, being an “umbrella” standard for pension plans parallel to the role that ASOP No. 6 serves for retiree group benefits plans, the ASB appointed a Retiree Group Benefits Subcommittee to the Pension Committee and tasked it with the responsibility for updating ASOP No. 6 and, where appropriate, making it consistent with ASOP No. 4, which was also released as an exposure draft this year. The comment deadline is July 15, 2012.

ASB to Meet June 6-7 in Washington

The next regularly scheduled meeting of the ASB will be held June 6-7, 2012, at the Academy offices in Washington, D.C.