

ACTUARIAL STANDARDS BOARD QUARTERLY REPORT FOR Q1 2013

ASB Adopts Revised Introduction; Now Numbered as ASOP No. 1

The ASB adopted a revised version of the *Introductory Actuarial Standard of Practice*. The Introduction was revised to clarify the meaning of such terms as “must” and “should”; to include a definition of “deviation”; and to make other revisions to the language that were not substantial but did help clarify meaning in various sections. Also, to reinforce that the Introduction contains guidance that must be followed, it has been numbered as ASOP No. 1. Subsequently, the existing ASOP No. 1, *Nonguaranteed Charges or Benefits for Life Insurance Policies and Annuity Contracts*, would be renumbered as ASOP No. 2, since the existing ASOP No. 2, *Recommendations for Actuarial Communications Related to Statements of Financial Accounting Standards Nos. 87 and 88*, was repealed in March 2011. The effective date for the revised Introduction is June 1, 2013.

ASB Approves Second Exposure Draft of a Revision of ASOP No. 6

The ASB approved a second exposure draft of ASOP No. 6, *Measuring Retiree Group Benefit Obligations*. The second exposure draft of ASOP No. 6 was revised to provide clarity to disclosure requirements; redefine such terms as “funded status,” “pooled plans,” and “retiree group benefits program”; and to better coordinate with ASOP No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*. The comment deadline for the second exposure draft of ASOP No. 6 is August 30, 2013.

ASB Approves Life Settlements Exposure Draft

The ASB also approved the exposure draft, *Life Settlements Mortality*. The proposed ASOP, drafted by the Life Settlements Mortality Task Force under the direction of the ASB’s Life Committee, provides guidance to actuaries performing professional services, when reporting on or evaluating mortality with respect to life settlements, or when analyzing or using mortality assumptions with respect to life settlements. The comment deadline for the exposure draft is July 31, 2013.

ASB Approves ERM Task Force as Sixth Standing Committee

The ASB recently approved the Enterprise Risk Management (ERM) Task Force as a new standing committee in addition to its five existing committees, which are Casualty, General, Health, Life, and Pension. The ERM Committee, which will continue to operate under the leadership of David Ingram, was responsible for drafting the most recently adopted ASOPs, ASOP No. 46, *Risk Evaluation in Enterprise Risk Management*, and ASOP No. 47, *Risk Treatment in Enterprise Risk Management*.

ASB to Meet June 18-19 in Washington

The next regularly scheduled meeting of the ASB will be held June 18-19, 2013, at the Academy offices in Washington, D.C.