

ACTUARIAL STANDARDS BOARD QUARTERLY REPORT FOR Q2 2011

ASB Adopts Final Revision of ASOP No. 28

At its June meeting, the Actuarial Standards Board adopted a final revision of ASOP No. 28, now titled *Statements of Actuarial Opinion Regarding Health Insurance Liabilities and Assets*. ASOP No. 28 was originally adopted by the ASB in 1997 as a revised and reformatted version of Financial Reporting Recommendation (FRR) 10, *Statement of Actuarial Opinion for Health Service Corporation Statutory Annual Statements*. In 2010, the ASOP underwent another revision in consideration of the development of the Health Annual Financial Statement Blank (successor to both the Health Service Company Blank and the Health Maintenance Organization Blank) and the revised health actuarial opinion instructions approved by the NAIC Blanks (E) Working Group in June 2009. The revision now encompasses all statements of actuarial opinion regarding health insurance liabilities and assets of insurance or reinsurance companies and other health insurance financing systems (such as health benefit plans provided by self-insured or government plan sponsors). The effective date for the ASOP No. 28 revision is October 31, 2011.

ASOPs Updated to Reflect New Deviation Language

The ASB voted in March 2011 to adopt a revised version of *Revision of Deviation Language for Standards and Removal of References to Public Statements of Actuarial Opinion (PSAOs) from Standards (All Practice Areas)*. The revised Deviation document conforms to the final revised ASOP No. 41, and reflects changes in other ASOPs since 2008 when the Deviation document was first exposed. The changes contained in the document took effect on May 1, 2011 (concurrent with the effective date of the revised ASOP No. 41) and, as a result, all current actuarial standards of practice have been updated to reflect these changes.

Introduction Undergoes Revision

The *Introduction to the Actuarial Standards of Practice* is currently being revised by the ASB General Committee. In 1989, the ASB published a Preface to its standards that provided insight into the nature of professions and the role that professionalism standards and disciplinary procedures play, with specific reference to those of the actuarial profession. However, due to significant developments in the structure of the professionalism standards and disciplinary procedures of the actuarial profession, the ASB determined that it would be beneficial to adopt an introduction to the standards to offer actuaries guidance on the ASB's operations, the content and format of standards, and the ASB's intent with respect to certain terms that appear frequently in the text of the standards themselves. The Introduction was last revised in 2008 after a comment period, which garnered 14 comment letters. However, after conducting a survey of all U.S. actuaries in the spring 2009, results suggested room remained in the improvement in clarity in the way ASOPs are written, and so the ASB decided to revise the Introduction once again. The ASB General Committee plans to present an exposure draft of a revision to the ASB in December 2011.

ASB to Meet September 14-15 in Washington

The next regularly scheduled meeting of the ASB will be held September 14-15, 2011, at the Academy offices in Washington, D.C.