

ACTUARIAL STANDARDS BOARD QUARTERLY REPORT FOR Q2 2012

ERM Risk Treatment Draft Approved for Exposure

Task Force on Enterprise Risk Management (ERM) presented a proposed exposure draft on risk treatment to the ASB at its June meeting titled *Risk Treatment in Enterprise Risk Management*. The ASB approved the exposure, which has been drafted to guide the actuary in preparing for requirements and requests for assessment of the risk treatment 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.

Discussion Draft on Pension Risk Issued

At its June meeting, the ASB issued for comment a discussion draft presented by its Pension Committee titled *Assessment and Disclosure of Risk Associated with Pension Obligations, Plan Costs, and Plan Contributions*. The Pension Committee has been reviewing all of the pension-related standards and has been working on a new standard regarding the assessment, disclosure and management of pension risk as part of the larger review project. The Pension Committee is seeking comments from interested parties and, as a result of those discussions, may begin work on an exposure draft.

Discussion Draft on Principle-Based Reserves Updated

The discussion draft, *Standards for Principle-Based Reserves for Life Products*, was updated by the Task Force on Principles-Based Reserve of the Actuarial Standards Board (ASB) to reflect the changes to the National Association of Insurance Commissioners' *Valuation Manual-20*. The discussion draft is intended to be consistent with draft regulations and actuarial guidelines on this topic.

ASB to Meet September 18-19 in Washington

The next regularly scheduled meeting of the ASB will be held September 18-19, 2012, at the Academy offices in Washington, D.C.