

ACTUARIAL STANDARDS BOARD QUARTERLY REPORT FOR Q3 2009

ASB Survey Results In; Response Rate Exceptional

Final results from The Haefer Group Ltd., the independent research firm who conducted a survey of all U.S. practicing actuaries, were recently received by the ASB and will soon be presented to the membership. The survey was conducted to measure the effectiveness of the ASB's communication with members, and to examine the process of developing and reviewing Actuarial Standards of Practice to determine if they are meeting the needs of the public and the profession. A summary of the results will be reported in an upcoming issue of the *Actuarial Update* and on the ASB's website. The response rate of approximately 25% was considered exceptionally high by the Haefer Group. The ASB will use the results of the survey and the responses received to the recently issued *Request for Comments on Actuarial Standard of Practice (ASOP) Content and ASB Procedure* as it reviews the ASB processes.

ASOP No. 41 Second Exposure Draft Being Finalized

The ASB is preparing to review a second exposure draft of ASOP No. 41, *Actuarial Communications*, at its upcoming December meeting. A first exposure draft of the ASOP was sent to the membership in September 2008 and generated 23 comments. The exposure was drafted to solicit comments on particular issues in the ASOP including the responsibility of using assumptions and methods within an actuarial communication; disclosing methods in actuarial reports; and clarifying deviation. The comment letters can be found on the ASB website under the "Exposure Drafts" tab at www.actuarialstandardsboard.org.

Pension Committee Issues Revision of ASOP No. 44, Continues Work on Other Projects

As the ASB Pension Committee continues its work on multiple projects including revising ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*, and developing standards on the economic value of pension plans, it recently issued a revision of ASOP No. 44, *Selection and Use of Asset Valuation Methods for Pension Valuations*, to clarify wording in section 3.4.1, Bias. The intent of the section is to require disclosure of the existence of systematic bias in the asset valuation method only when such bias is, in the actuary's professional judgment, significant. While the first sentence of section 3.4.1 accurately communicated this intent, the second sentence did not, creating some confusion among practitioners. Accordingly, the ASB has clarified the standard by adding the word "significantly" before the word "skewed" in the second sentence of section 3.4.1. The ASB voted to adopt this clarification on September 21, 2009 effective immediately.

ASB to Meet December 2-3 in Washington

The next scheduled meeting of the ASB will be held December 2-3 at the Academy offices in Washington.