

ACTUARIAL STANDARDS BOARD QUARTERLY REPORT FOR Q3 2012

ASB Adopts New ASOP No. 46

The ASB adopted ASOP No. 46, *Risk Evaluation in Enterprise Risk Management*. The ASOP provides guidance to actuaries when performing professional services with respect to risk evaluation systems used for purposes of enterprise risk management, including designing, developing, implementing, using, maintaining, and reviewing those systems. This standard also focuses on five aspects of risk evaluation: risk evaluation models, economic capital, stress testing, emerging risks, and other risk evaluations. ASOP No. 46 will be effective May 1, 2013.

ASB Approves Revision of ASOP No. 25

The ASB approved a revision of ASOP No. 25, *Credibility Procedures*, at its September meeting. The revision is applicable to all practice areas, and provides guidance to actuaries in the selection of a credibility procedure and the assignments of credibility values to sets of data. The comment deadline for the exposure draft is December 31, 2012.

Updates to ASOP Nos. 22 and 28 Adopted

The ASB adopted final 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*. The revisions include changes to section 3.1 of ASOP No. 22 to indicate that the actuary should review and apply ASOP No. 28 in doing work covered by ASOP No. 22. In addition, the definition of Health Benefit Plan in ASOP No. 22 is changed to be consistent with that in ASOP No. 28. Also, the scope of ASOP No. 28 is changed to remove the exclusion for work covered by ASOP No. 22. The ASB adopted these revisions at its September meeting, to be effective for actuarial opinions issued on or after December 31, 2012.

ASB to Meet December 10-11 in Washington

The next regularly scheduled meeting of the ASB will be held December 10-11, 2012, at the Academy offices in Washington, D.C.