

ACTUARIAL STANDARDS BOARD QUARTERLY REPORT FOR Q4 2013

ASB Adopts Revised Version of ASOP No. 27

The ASB adopted a revised version of ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. The second exposure draft of ASOP No. 27 was issued in January 2012 and received fifteen comment letters. In response to those comments, various changes were made to the final standard including revising the section on Adverse Deviation or Other Valuation Issues to note that an actuary may determine that it is appropriate to adjust the economic assumptions when valuing plan provisions that are difficult to measure, as discussed in ASOP No. 4; and revising the Assumptions Used section to require that each significant assumption be disclosed. This standard will be effective for any actuarial work product with a measurement date on or after September 30, 2014.

ASB Approves Exposure Draft on Medicaid

The ASB recently approved the exposure draft, *Medicaid Managed-Care Capitation Rate Development and Certification*. The proposed ASOP will provide guidance to actuaries when performing professional services related to Medicaid and Children's Health Insurance Program (CHIP or Title XXI) managed-care capitation rates, including a certification on behalf of a state to meet the requirements of 42 CFR 438.6(c). The comment deadline for the exposure draft is May 15, 2014.

ASB Adopts an ASOP No. 48

The ASB also recently adopted a new ASOP, *Life Settlements Mortality*. The new ASOP No. 48 provides guidance to actuaries performing professional services, when reporting on or evaluating mortality experience with respect to life settlements or when developing, analyzing, or using mortality assumptions with respect to life settlements. The effective date for ASOP No. 48 is April 30, 2014.

ASB Adopts Revised Version of ASOP No. 25

The ASB adopted a revised version of ASOP No. 25, *Credibility Procedures*. The first exposure draft of the revised ASOP was issued in September 2012 and received 20 comment letters. A second exposure draft issued in June 2013 received nine comment letters. In addition to clarifying language in several sections, a clarifying change was made to the wording of the scope section to keep it appropriately focused. A summary of substantive issues can be found in appendix 2. The effective date for the revised ASOP No. 25 is May 1, 2014.

ASB to Meet March 11-12 in Washington

The next regularly scheduled meeting of the ASB will be held March 11-12, 2014, at the Academy offices in Washington, D.C.