

## **ASB Releases New Exposure Draft on Revised Deviation Language for All ASOPs, PSAO Removal**

The ASB has released an Exposure Draft, entitled *Proposed Revision of Deviation Language for All Standards and Removal of References to PSAOs From All Standards (All Practice Areas)*, that would revise the deviation language used in all Actuarial Standards of Practice (ASOPs) and remove any sections on Prescribed Statements of Actuarial Opinion (PSAOs) from all ASOPs.

The current material on deviation in the ASOPs is not consistent throughout the collection. Typically, section 4 of an ASOP will address the deviation issue, but some ASOPs lack altogether a section dealing with deviation, and others have wording that differs slightly from one ASOP to the next.

This Exposure Draft addresses these problems by proposing language that will move the substantial guidance on deviation into ASOP No. 41, *Actuarial Communications* (currently being revised), and will add standardized deviation subsections to all other ASOPs. These subsections will refer back to ASOP No. 41 for guidance.

The ASB is also taking this opportunity to remove all sections on PSAOs from existing ASOPs, as PSAOs were rendered obsolete by the newly revised *Qualification Standards* that went into effect on January 1, 2008.

To download the Exposure Draft, go to [www.actuarialstandardsboard.com/exposure.asp](http://www.actuarialstandardsboard.com/exposure.asp). The deadline for comments is May 31, 2008.

## **ASB Issues Request for Comments for Review of ASOP No. 27**

The ASB is planning an extensive review of ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*, in light of changes in actuarial practice since its approval in 1996. To that end, the ASB Pension Operating Committee has drafted a Request for Comments. The Board seeks input on a specific

list of 10 questions relating to the ASOP, as well as any general comments that actuaries and other interested parties may have.

Due to the increased awareness of, and interest in, pension issues as of late, the Board has expanded the list of recipients to include many outside the actuarial community. This is consistent with the Board's goals to be responsive to the general public's concern with pension issues and to promote a healthy dialogue between the public at large and the actuarial community.

To download the Request for Comments, go to [www.actuarialstandardsboard.com/exposure.asp](http://www.actuarialstandardsboard.com/exposure.asp). The deadline for comments is August 1, 2008.

## **ASB Defers Repeal of ASOP No. 9**

After a thorough review and edit of the proposed repeal of ASOP No. 9, *Documentation and Disclosure in Property and Casualty Insurance Ratemaking, Loss Reserving, and Valuations*, the Board has decided to defer its repeal until the pending revision of ASOP No. 41, *Actuarial Communications*, is complete.

The ASB General Operating Committee is currently working on ASOP No. 41 and expects to present its revisions to the Board at the June ASB meeting.

## **ASB to Expand Its Comprehensive Interested Parties Database**

The ASB is currently expanding its database of interested parties outside the actuarial community. The Board hopes to distribute ASOPs, Exposure Drafts, and other Board communications to more non-actuaries in order to improve communication with the public and regulatory agencies and to foster a better understanding of the standards-setting process.

To sign up for the interested parties database or to suggest individuals who may be interested in being in the database, please send an email to [asbrequests@actuary.org](mailto:asbrequests@actuary.org) with the subject line "Interested Parties."

# ASB AGENDA PROJECTS

April 2008

<b>CASUALTY COMMITTEE ■</b>					
Subject Area	Qtr. 2008				Comments
	1	2	3	4	
ASOP No. 36 revision (statements of actuarial opinion regarding property/casualty loss and loss adjustment expense reserves)	P				The ASB has approved a proposal to revise the standard. The Casualty Committee is currently monitoring discussions within the profession to determine whether there is consensus on key issues related to disclosure requirements.
ASOP No. 9 repeal (documentation and disclosure in property and casualty insurance ratemaking, loss reserving, and valuations)	R				The ASB has reviewed the document and has decided to defer its repeal until revisions to ASOP No. 41, <i>Actuarial Communications</i> , are finalized.
ASOP No. 38 revision (using models outside the actuary's expertise)	R				The ASB has transferred the draft to the Casualty Committee for further revision as a standard applicable only to the casualty practice area.

<b>GENERAL COMMITTEE ■</b>					
Subject Area	Qtr. 2008				Comments
	1	2	3	4	
ASOP No. 41 revision (actuarial communications)	R				The ASB has approved a proposal to revise the standard. The revision will bring the document up to date with current practice.

<b>HEALTH COMMITTEE ■</b>					
Subject Area	Qtr. 2008				Comments
	1	2	3	4	
No revisions pending at this time					

<b>LIFE COMMITTEE ■</b>					
Subject Area	Qtr. 2008				Comments
	1	2	3	4	
Principles-based approach reserves	PD				The task force is monitoring developments in regulation in this area and has begun work on a discussion draft.
Independent Review of Principles-Based Valuations	PD				The task force is monitoring developments in regulation in this area and has begun work on a discussion draft.

<b>PENSION COMMITTEE ■</b>					
Subject Area	Qtr. 2008				Comments
	1	2	3	4	
ASOP No. 27 (selection of economic assumptions for measuring pension obligations)	E				The committee has released a Request for Comments on the proposed revisions to ASOP No. 27. <b>The comment deadline is August 1, 2008.</b>

*Legend:* **PD**—Planning/Discussion **P**—Proposal for Standard **D**—Drafting **E**—Exposure Draft  
**SE**—Second Exposure Draft **TE**—Third Exposure Draft **R**—Revisions/Redrafting **F**—Final Pronouncement **DS**—Development Suspended

## ASB Releases 2007 Annual Report

The ASB has published a pdf of its *2007 ASB Annual Report*, which summarizes the Board's activities for the year and includes a letter from outgoing Chairman Cecil Bykerk.

To download the *2007 ASB Annual Report* PDF, go to [www.actuarialstandardsboard.com/reports.asp](http://www.actuarialstandardsboard.com/reports.asp).

## ASB to Meet June 30–July 1, 2008 in Washington

The next scheduled meeting of the ASB will be on June 30–July 1, 2008, at the Academy offices in Washington. For more information, contact the ASB at (202) 223-8196.

### ■ Looking Ahead...

The ASB will review the following documents at its June 30–July 1, 2008, meeting:

- Revision of ASOP No. 41, *Actuarial Communications*

### ■ Meeting Schedule of the Actuarial Standards Board

June 30–July 1, 2008

September 15–16

December 8–9

All ASB meetings are open to the public. Except where otherwise noted, meetings take place at the American Academy of Actuaries' office in Washington, DC. Please contact the ASB office at [asb@actuary.org](mailto:asb@actuary.org) for more information.

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**Editor/ASB Program Manager**

Joe Vallina  
[vallina@actuary.org](mailto:vallina@actuary.org)

**Contributing Editor**

Erica Kennedy  
[kennedy@actuary.org](mailto:kennedy@actuary.org)

Actuarial Standards Board  
1100 Seventeenth Street, NW  
Seventh Floor  
Washington, DC 20036  
Phone: 202-223-8196  
Fax: 202-223-1248  
E-mail: [ASB@actuary.org](mailto:ASB@actuary.org)  
[www.ActuarialStandardsBoard.org](http://www.ActuarialStandardsBoard.org)