

## ASB Approves Revision of ASOP No. 36 for Exposure

During the ASB's March 2009 meeting, the Board approved an exposure draft of a revision to ASOP No. 36, *Statements of Actuarial Opinion Regarding Property/Casualty Loss and Loss Adjustment Expense Reserves*. The standard primarily applies to actuaries when providing written statements of actuarial opinion with respect to loss and loss adjustment expense reserves of insurance or reinsurance companies, and other property/casualty risk financing systems to comply with NAIC requirements.

Actuaries providing a Statement of Actuarial Opinion covered by the current version of ASOP No. 36 are guided by both ASOP No. 36 and ASOP No. 43, *Property/Casualty Unpaid Claim Estimates*. However, in some cases, the guidance in both ASOPs was redundant; in other cases, the language in the two documents was unclear when viewed as a whole, as terms and concepts were not covered in a consistent manner. In order to mitigate such redundant or unclear guidance, the Subcommittee on Reserving under the guidance of the ASB Casualty Committee was charged with revising ASOP No. 36. The exposure draft is available at [www.ActuarialStandardsBoard.org](http://www.ActuarialStandardsBoard.org). The comment deadline is June 15, 2009.

## ASB Holds Second Planning Meeting in Sanibel Island, FL

The ASB held its second annual planning meeting January 28-29 in Sanibel Island, FL. The two-day meeting served as a "work session" for the ASB to give particular focus to initiatives and action plans that needed to be discussed outside of their regular quarterly meetings. Some of those initiatives included finding ways to improve the standards-setting process; discussing how to best serve the public and get public input; preparing responses to controversial issues; and identifying interested parties. The Board's June meeting agenda will include a discussion on the action plans created to address these issues and next steps to take in further improving the work and function of the ASB.

## New ASB Program Manager Appointed

On March 11, Mary Downs, General Counsel and Director of Professionalism at the American Academy of Actuaries, announced that she had appointed Erica Kennedy ASB program manager, filling the vacancy left by Joe Vallina's departure. Ms. Kennedy has served as the ASB Standards Editor since 1999, where she worked closely with committees, subcommittees, and task forces with the drafting and editing of various casualty, health, and life ASOPs. Her background includes writing and editing in such arenas as academia, entertainment, and healthcare. Members can contact Ms. Kennedy at [kennedy@actuary.org](mailto:kennedy@actuary.org) or by phone at (202) 785-7855.

## Boxscore Goes Electronic...For Now

The ASB will publish *Boxscore* on the ASB's website (where it can also be downloaded) as the Academy has discontinued producing hard copies of the *Actuarial Update*, along with which *Boxscore* was mailed. The Board will review how it disseminates information to members and others based on the results from its upcoming survey.

# ASB AGENDA PROJECTS

April 2009

CASUALTY COMMITTEE					
Subject Area	Qtr. 2009				Comments
	1	2	3	4	
ASOP No. 36 revision ( <i>Statements of Actuarial Opinion Regarding Property/Casualty Loss and Loss Adjustment Expense Reserves</i> )	E				ASB approved an exposure draft at its March 2009 meeting. <b>Comment deadline: June 15, 2009</b>
ASOP No. 9 repeal ( <i>Documentation and Disclosure in Property and Casualty Insurance Ratemaking, Loss Reserving, and Valuations</i> )	R				The ASB reviewed the document and had decided to defer its repeal until revisions to ASOP No. 41, <i>Actuarial Communications</i> , are finalized.

GENERAL COMMITTEE					
Subject Area	Qtr. 2009				Comments
	1	2	3	4	
ASOP No. 41 revision ( <i>Actuarial Communications</i> )	R				The committee is currently reviewing the comments received on the exposure draft and is working to revise the ASOP.

HEALTH COMMITTEE					
Subject Area	Qtr. 2009				Comments
	1	2	3	4	
ASOP No. 31 repeal ( <i>Documentation in Health Benefit Plan Ratemaking</i> )	R				The committee has reviewed the comments received on the exposure draft and plans to present a final repeal to the ASB in June.

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

<b>LIFE COMMITTEE</b>					
Subject Area	Qtr. 2009				Comments
	1	2	3	4	
Standards for principles-based capital for life products	D				The task force is monitoring developments in regulation in this area and has begun work on a proposed standard.
Independent review of principles-based valuations	DS				As LHATF decided that independent reviews would not be required under principle-based reserves, the task force has discontinued its work but it has not been disbanded.
ASOP No. 10 revision ( <i>Methods and Assumptions for Use in Life Insurance Company Financial Statements Prepared in Accordance with GAAP</i> )	D				The Board authorized the committee to create a task force to update ASOP No. 10 to make it current with regard to the changes in accounting standards.

<b>PENSION COMMITTEE</b>					
Subject Area	Qtr. 2009				Comments
	1	2	3	4	
ASOP No. 27 ( <i>Selection of Economic Assumptions for Measuring Pension Obligations</i> )	R				The committee is currently reviewing the comments received on the request for comments.
Economic value of pension plan assets and liabilities	PD				The committee has begun discussions on developments in this area.

<b>OTHER PROJECTS</b>					
Subject Area	Qtr. 2009				Comments
	1	2	3	4	
Introduction to the ASOPs	R				The task force is reviewing comment letters and plans to present a proposed final draft to the ASB in 2009.

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

## ► Looking Ahead...

The ASB tentatively plans to review the following drafts during its June meeting:

- Revision of ASOP No. 13, *Trending Procedures in Property/Casualty Insurance* (proposed final standard from the Casualty Committee)
- Revision of ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations* (proposed final standard from the Pension Committee)
- Repeal of ASOP No. 31, *Documentation in Health Benefit Plan Ratemaking* (proposed final repeal from the Health Committee)

## ► Meeting Schedule of the Actuarial Standards Board

- *June 16–17, 2009*
- *September 21–22, 2009*
- *December 2–3, 2009*

All ASB meetings are open to the public, and attendance by interested parties is encouraged. Unless otherwise noted, meetings take place at the American Academy of Actuaries' office in Washington, D.C.

*The Actuarial Standards Board (ASB) establishes and improves standards of actuarial practice. These Actuarial Standards of Practice (ASOPs) identify what the actuary should consider, document, and disclose when performing an actuarial assignment. The ASB's goal is to set standards for appropriate practice for the U.S.*

*When creating or revising an ASOP the ASB*

- 1. reviews and evaluates current and emerging practices;*
- 2. determines appropriate guidance;*
- 3. publishes an exposure draft to obtain input from actuaries and other interested parties;*
- 4. considers all comments received; and*
- 5. publishes a final standard or another exposure draft.*

## The ASB Boxscore

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