

## **ASB Meets With UK Standards Chairman Paul Seymour**

At its June 26-27 meeting in Washington, the ASB met with Board for Actuarial Standards (BAS) Chairman Paul Seymour via videoconference. The BAS is a UK government entity that sets technical (but not professional) standards for the UK actuarial profession.

During the discussion, the participants compared notes on the two standard-setting bodies and discussed the role of non-actuaries in the standard setting process. Mr. Seymour expressed an interest in attending a future ASB meeting in person, and that will probably occur at the December ASB meeting. He also invited any ASB member traveling in London on the second Monday of the month to attend a BAS meeting.

## **ASB Adopts ASOP No. 43**

The Board adopted the Property/Casualty Unpaid Claim Estimates draft document as ASOP No. 43. This document should be posted in mid July and will be effective on September 1, 2007, as stated in the second exposure draft.

## **ASOP No. 9 Repealed**

The Board approved the exposure of the repeal of ASOP No. 9. The exposure document includes a table showing how each section of ASOP No. 9 is covered by ASOP No. 41 and several precepts of the *Code of Professional Conduct* and so ASOP No. 9 is no longer needed. The comment deadline is August 15.

## **ASOP No. 41, Introduction to ASOPs to Be Revised**

The Board approved a proposal to review and revise ASOP No. 41 in order to bring it up to date with current practice.

The Board also established a task force to review and propose any appropriate changes to the *Introduction to the Actuarial Standards of Practice* that was adopted in December 2004.

## **2006 ASB Annual Report Published**

The Board approved publication of its 2006 Annual Report. The timing of the 2006 Annual Report is consistent with several previous years issuance, but it appears it could be published earlier in the year. The Board plans to publish the 2007 Annual Report earlier in 2008.

## **ASB Leadership Meets With CUSP**

Larry Sher and Cecil Bykerk briefed the Board on their meeting with CUSP in May. The Board looks forward to continuing dialogue with and feedback from CUSP.

## **ASB to Meet September 5–6 in Washington**

The next scheduled meeting of the ASB will be on September 5-6 at the Academy offices in Washington.

For more information, contact the ASB at (202) 223-8196.

# ASB AGENDA PROJECTS

July 2007

<b>CASUALTY COMMITTEE ■</b>						
Subject Area	Qtr. 2007				Comments	
	1	2	3	4		
Property/casualty unpaid claim and claim adjustment expense estimates	SE	F			The ASB adopted a final version in June. The effective date is September 1, 2007.	
ASOP No. 36 revision (statements of actuarial opinion regarding property/casualty loss and loss adjustment expense reserves)	P	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)		E			The ASB approved an exposure in June. <b>Comment deadline: August 15, 2007</b>	
ASOP No. 38 revision (using models outside the actuary's expertise)		PD			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. 2007				Comments	
	1	2	3	4		
ASOP No. 38 revision (using models outside the actuary's expertise (for all practice areas))	PD				The ASB has transferred the draft to the Casualty Committee for further revision as a standard applicable only to the casualty practice area.	
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. 2007				Comments	
	1	2	3	4		
ASOP No. 3 revision (continuing care retirement communities)	E	R			The ASB approved an exposure draft in November. The comment period for this exposure ended on April 30. The task force is reviewing the comments and revising the draft in response.	
ASOP No. 16 repeal (actuarial practice concerning disease management programs)	R	F			The ASB approved the repeal in April 2007.	

<b>LIFE COMMITTEE ■</b>					
Subject Area	Qtr. 2007				Comments
	1	2	3	4	
ASOP No. 24 revision (compliance with the NAIC life insurance illustrations model regulation)	F				The ASB adopted the revised ASOP No. 24 at its February 2007 meeting. The effective date is June 30, 2007.
Principles-based approach reserves	P	P			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	P	P			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. 2007				Comments
	1	2	3	4	
ASOP No. 4 revision (measuring pension obligations and determining pension plan costs or contributions)	E	R			The ASB approved a third exposure draft in August 2006. The comment period for this exposure ended on March 1. The committee is reviewing comment letters and revising the draft in response.
ASOP No. 27 revision (selection of economic assumptions for measuring pension obligations)	R	R			The committee expects to present a proposed final ASOP to the ASB when the proposed revision of ASOP No. 4 approaches final adoption.
ASOP No. 35 revision (selection of demographic and other noneconomic assumptions for measuring pension obligations)	R	R			The committee expects to present a proposed final ASOP to the ASB when the proposed revision of ASOP No. 4 approaches final adoption.
Selection and use of asset valuation methods for pension valuations	E	R			The ASB approved a fourth exposure draft in August 2006. The comment period for this exposure ended on March 1. The committee is reviewing comment letters and revising the draft in response.

*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

## ■ Looking Ahead...

The ASB will review the following documents at its September 5–6 meeting:

- Revision of ASOP No. 3, *Practices Relating to Continuing Care Retirement Communities*
- Revision of ASOP No. 4, *Measuring Pension Obligations*
- Proposed ASOP, *Selection and Use of Asset Valuation Methods for Pension Valuations*
- Proposal to revise ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*
- Proposal to revise ASOP No. 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*

## ■ Meeting Schedule of the Actuarial Standards Board

September 5–6

December 5–6

March 5–7

All ASB meetings are open to the public. Except for 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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