

## ASB Adopts ASOP No. 44, Revises Three Other Pension ASOPs

At its September 5–6 meeting in Washington, the ASB adopted four pension ASOPs:

- ASOP No. 44, *Selection and Use of Asset Valuation Methods for Pension Valuations* (new),
- ASOP No. 4, *Measuring Pension Obligations* (revised),
- ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations* (revised), and
- ASOP No. 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations* (revised).

These ASOPs are intended to provide coordinated guidance for measuring pension obligations. All four ASOPs take effect on March 15, 2008.

All of the above ASOPs can be viewed and downloaded at the ASB website: [www.actuarialstandardsboard.org](http://www.actuarialstandardsboard.org).

## ASB Revises ASOP No. 3

Also during the September meeting, the Board adopted a revised ASOP No. 3, *Practices Relating to Continuing Care Retirement Communities*. The revision takes effect on March 1, 2008.

The revised version of ASOP No. 3 can be viewed and downloaded at the ASB website: [www.actuarialstandardsboard.org](http://www.actuarialstandardsboard.org).

## Standard Deviation Language

The Board considered the comments it received on its exposure draft of standard deviation language, revised it extensively, and sent it to the General Committee for inclusion and exposure in the upcoming ASOP No. 41 revision.

## ASB Approves Two New Health Operating Committee Members

At its September meeting the Board approved the nominations of Cynthia S. Miller and Nancy F. Nelson to the Health Operating Committee.

Ms. Miller is senior vice president and actuary for Commercial and Consumer Business at Wellpoint. Ms. Nelson is vice president, finance and chief actuary at Blue Cross and Blue Shield of Minnesota.

Both appointments take effect immediately.

## ASB to Keep All Versions of Exposure Drafts on Website

The ASB has decided to keep all exposure drafts available on the ASB website for posterity. Up to this point, previous exposure drafts were removed from the website, but the Board feels that it will be beneficial to make reference copies of all exposures available to the public.

All comment letters will be associated with their relevant exposure draft and will remain on the site until a final ASOP is approved, at which point the comment letters will be deleted from all ASB files and the website, in keeping with ASB document retention policy.

## ASB to Meet December 5–6 in Washington

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

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

# ASB AGENDA PROJECTS

October 2007

| <b>CASUALTY COMMITTEE ■</b>  |           |    |    |   |  |  |
|--|-----------|----|----|---|--|--|
| Subject Area   | Qtr. 2007 |    |    |   | Comments   |  |
|  | 1         | 2  | 3  | 4 |  |  |
| ASOP No. 36 revision (statements of actuarial opinion regarding property/casualty loss and loss adjustment expense reserves)   | P         | 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  | R  |   | The ASB approved an exposure in June. The comment period for this exposure ended on August 15. The committee is reviewing the comments and revising the draft in response.   |  |
| ASOP No. 38 revision (using models outside the actuary's expertise)  |           | PD | 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. 41 revision (Actuarial Communications)  |           | R  | 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  | F  |   | The ASB adopted the revised ASOP No. 3 at its September 2007 meeting. The effective date is March 1, 2008.   |  |

| <b>LIFE COMMITTEE ■</b>                           |           |   |   |   |  |
|---|-----------|---|---|---|--|
| Subject Area                                      | Qtr. 2007 |   |   |   | Comments   |
|   | 1         | 2 | 3 | 4 |  |
| Principles-based approach reserves                | P         | 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 | 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 | F |   | The ASB adopted the revised ASOP No. 4 at its September 2007 meeting. The effective date is March 15, 2008.  |
| ASOP No. 27 revision (selection of economic assumptions for measuring pension obligations)                          | R         | R | F |   | The ASB adopted the revised ASOP No. 27 at its September 2007 meeting. The effective date is March 15, 2008. |
| ASOP No. 35 revision (selection of demographic and other noneconomic assumptions for measuring pension obligations) | R         | R | F |   | The ASB adopted the revised ASOP No. 35 at its September 2007 meeting. The effective date is March 15, 2008. |
| ASOP No. 44 (selection and use of asset valuation methods for pension valuations)                                   | E         | R | F |   | The ASB adopted ASOP No. 44 at its September 2007 meeting. The effective date is March 15, 2008.             |

*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 to Distribute ASOPs on Portable USB Drives**

The ASB has decided to distribute ASOPs on portable USB drives in addition to the standard downloadable ZIP file from the ASB website.

New members will receive the USB drive containing all current ASOPs along with their new member packets. The drives should be available by the end of 2007. Current ASOPs are always available for download at the ASB website at [www.actuarialstandardsboard.org](http://www.actuarialstandardsboard.org) or you may obtain hard copies by calling Doreen Evans at (202) 223-8196.

## **■ Looking Ahead...**

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

- Repeal of ASOP No. 9, *Documentation and Disclosure in Property and Casualty Insurance Ratemaking, Loss Reserving, and Valuations*
- Revision of ASOP No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking*
- Revision of ASOP No. 41, *Actuarial Communications*

## **■ Meeting Schedule of the Actuarial Standards Board**

December 5–6

March 5–7, 2008

July 30–August 2

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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