

ASB Adopts a Revision on ASOP No. 6

The ASB also adopted a revision of ASOP No. 6, *Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions*, at its March meeting. The revision provides guidance to actuaries when performing actuarial services with respect to measuring obligations under a retiree group benefits program and determining periodic costs or actuarially determined contributions for such retiree group benefits programs. It also provides guidance on assumptions that are specific to retiree group benefits programs, and it addresses broader measurement issues, cost allocation procedures, and contribution allocation procedures. In addition, the standard provides guidance for coordinating and integrating all of the elements of an actuarial valuation of a retiree group benefits program. The revision will be effective for any actuarial work product with a measurement date on or after March 31, 2015; however, if roll-forward techniques are used in the measurement, the standard is not effective until three years after the last full measurement before March 31, 2015. Earlier adoption of the standard is permitted. The revised ASOP can be viewed on the ASB website at www.actuarialstandardsboard.org under the tab “Current Actuarial Standards of Practice.”

ASB Adopts a Revision of ASOP No. 8

At its March meeting, the ASB adopted a revision of ASOP No. 8, *Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health Benefits*. The revision of ASOP No. 8 provides guidance to actuaries who prepare or review regulatory filings under state and federal requirements for filing health insurance premium rate increases. It also provides further guidance to actuaries reviewing regulatory filings. Furthermore, ASOP No. 8 was revised to add guidance on the preparation and review of health insurance rate filings for medical lines of business that are required by state or federal regulations, including those required under the Affordable Care Act. The effective date of the revision is September 1, 2014. The revised ASOP can be viewed on the ASB website under the tab “Current Actuarial Standards of Practice.”

Health Committee Issues a Discussion Draft on Minimum Value and Actuarial Value under ACA

The ASB Health Committee recently issued a discussion draft titled *Determining Minimum Value and Actuarial Value under the Affordable Care Act*. Although there is a practice note providing information on the subject of determining minimum value and actuarial value under the Affordable Care Act, there is currently no standard of practice specifically addressing the subject. Therefore, the ASB requested that the ASB Health Committee explore a potential ASOP to provide guidance to actuaries in these tasks. As a result, the ASB Health Committee charged a task force with developing a discussion draft to gather feedback on such a potential ASOP. Comments received on the discussion draft will not be posted to the ASB website and will not receive individual responses; however, the Health Committee will consider them in preparing the exposure draft for ASB approval. Comments will be reviewed as they are received, but are encouraged to be sent by September 30, 2014. The document can be viewed on the ASB website under the tab “Discussion Drafts.”

ASB AGENDA PROJECTS

May 2014

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

CASUALTY COMMITTEE					
Subject Area	Qtr. 2014				Comments
	1	2	3	4	
Ratemaking	D				An exposure draft on Ratemaking is being drafted, which the Committee plans to present to the ASB at its September 2014 meeting.
ASOP No. 36, <i>Statements of Actuarial Opinion Regarding Property/Casualty Loss and Loss Adjustment Expense Reserves</i>	PD				The Committee is discussing possible revisions to ASOP No. 36 and plans to present an exposure draft to the ASB at its September 2014 meeting.
ASOP No. 43, <i>Property/Casualty Unpaid Claim Estimates</i>	PD				The Committee is discussing possible revisions to ASOP No. 43 and plans to present an exposure draft to the ASB at its September 2014 meeting.
ENTERPRISE RISK MANAGEMENT COMMITTEE					
Subject Area	Qtr. 2014				Comments
	1	2	3	4	
ORSA	D				An exposure draft on ORSA is being drafted, which the Committee plans to present to the ASB at its September 2014 meeting.
GENERAL COMMITTEE					
Subject Area	Qtr. 2014				Comments
	1	2	3	4	
ASOP No. 23, <i>Data Quality</i>	PD				The Committee is discussing possible revisions to ASOP No. 23 and plans to present an exposure draft to the ASB at its September 2014 meeting.
ASOP No. 38, <i>Catastrophe Modeling (for All Practice Areas)</i>	F				The ASB adopted a final revision at its March 2014 meeting subject to ASB approval of changes necessitated by the final version of the proposed new Modeling ASOP.
Modeling	R				The task force is currently reviewing comments and making revisions to the draft, and plans to present a final draft to the ASB at its September 2014 meeting.

HEALTH COMMITTEE					
Subject Area	Qtr. 2014				Comments
	1	2	3	4	
ASOP No. 5, <i>Incurred Health and Disability Claims</i>	PD				The Committee is discussing possible revisions to ASOP No. 5 and plans to present an exposure draft to the ASB at its September 2014 meeting.
ASOP No. 8, <i>Regulatory Filings for Health Plan Entities</i>	F				The ASB adopted a final revision at its March 2014 meeting with an effective date of September 1, 2014.
Medicaid managed-care capitation rate development and certification	E				The ASB approved an exposure draft at its December 2013 meeting. The comment deadline is May 14, 2014. A proposed final revision will be presented to the ASB at its September 2014 meeting.
Minimum Value under ACA	DD				The ASB Health Committee issued a discussion draft in April 2014 and suggested comments be sent by September 30, 2014.
LIFE COMMITTEE					
Subject Area	Qtr. 2014				Comments
	1	2	3	4	
Principle-based reserves	R				The task force is currently reviewing comments and making revisions to the draft, and plans to present a second exposure draft to the ASB at its June 2014 meeting.
PENSION COMMITTEE					
Subject Area	Qtr. 2014				Comments
	1	2	3	4	
ASOP No. 6 revision (<i>Measuring Retiree Group Benefits Obligations</i>)	F				The ASB adopted a final revision at its March 2014 meeting effective for any actuarial work product with a measurement date on or after March 31, 2015; however, if roll-forward techniques are used in the measurement, the standard is not effective until three years after the last full measurement before March 31, 2015. Earlier adoption of the standard is permitted.
ASOP No. 34 revision (<i>Retirement Plan Benefits in Domestic Relations Actions</i>)	D				A revision of ASOP No. 34 is being drafted and the Committee plans to present an exposure draft to the ASB at its September 2014 meeting.
ASOP No. 35 (<i>Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations</i>)	D				A revision of ASOP No. 35 is being drafted and the Committee plans to present an exposure draft to the ASB at its September 2014 meeting.
Assessment and disclosure of risk	D				An exposure draft on Risk is being drafted, which the Committee plans to present to the ASB at its September 2014 meeting.

► **Looking Ahead...** 

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

- proposed second exposure draft, *Principles-Based Reserves for Life Products* (from the Life Committee)

► **Meeting Schedule of the Actuarial Standards Board**



- *March 11–12, 2014*
- *June 12–13, 2014*
- *September 22–23, 2014*
- *December 9–10, 2014*

All ASB meetings are open to the public, and interested parties may attend. The ASB office should be notified in advance of intent to attend meetings. 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

Erica Kennedy
ASB Program Manager
kennedy@actuary.org

Virginia Hulme
ASB Standards Editor
hulme@actuary.org

Actuarial Standards Board
1850 M Street, NW, Suite 300
Washington, D.C. 20036
Phone: 202-223-8196 • Fax: 202-223-1248
www.actuarialstandardsboard.org
© 2014. All rights reserved