

ASB Approves Exposure Draft on Determining Minimum Value and Actuarial Value under the ACA

The ASB approved an exposure draft of a proposed new actuarial standard of practice (ASOP) titled *Determining Minimum Value and Actuarial Value under the Affordable Care Act*. The ASOP will apply to actuaries performing professional services with respect to calculating actuarial values and testing minimum value requirements in accordance with the Affordable Care Act and related regulations, specifically for purposes of (1) categorizing individual and small group health insurance plans into metal levels; (2) testing whether large employer-sponsored health insurance plans meet the federal minimum value requirements; or (3) making any required certifications. The comment deadline for the exposure draft is May 1, 2015 and can be viewed [here](#).

ASB Approves Exposure Draft on Pension Plan Risk

The ASB also approved an exposure draft of a proposed new ASOP titled *Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions*. The proposed ASOP will provide guidance to actuaries when performing actuarial services with respect to measuring obligations under a pension plan and calculating actuarially determined contributions for such plans, with regard to the assessment and disclosure of the risks inherent in those measurements and determinations. The proposed ASOP will apply to actuaries when performing a funding valuation of a pension plan but will not be applicable to actuarial services performed in connection with other post-employment benefits, such as medical benefits. The comment deadline for the exposure draft is May 29, 2015 and can be viewed [here](#).

ASB Remembers Michael S. Abroe

The ASB mourns the February 9th passing of its member Michael “Mike” S. Abroe. Mr. Abroe was a principal and consulting actuary for over 25 years with Milliman, Inc. He founded its Chicago individual health practice in 1985, after serving as vice president and health actuary for Bankers Life & Casualty Company for 19 years. An active member of the Society of Actuaries and the American Academy of Actuaries (the Academy), he served on numerous professional committees over the years, including chairman of the Health Practice Council for the Academy and, most recently, as a member of the ASB. Prior to joining the ASB, he served as chair of its General Committee. In 2011 Abroe was selected as the Farley Award winner, which is the Academy’s highest recognition for service to the actuarial profession. He was also appointed as the sole actuarial member of the Institute of Medicine’s task force to recommend to the President which health care services should be covered by health plans, as required under the new Affordable Care Act. He is survived by his wife, Mary; a son and a daughter; four grandchildren; and a host of relatives and friends. Memorial contributions may be made to The Actuarial Foundation or Orphans of the Storm Animal Shelter.



ASB AGENDA PROJECTS

February 2015

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 **RC**—Request for Comments

CASUALTY COMMITTEE					
Subject Area	Qtr. 2014				Comments
	1	2	3	4	
Ratemaking	D	D	E	R	The committee is currently reviewing comments and making revisions to the draft, and plans to present a final draft to the ASB at its June 2015 meeting.
ASOP No. 36, <i>Statements of Actuarial Opinion Regarding Property/Casualty Loss and Loss Adjustment Expense Reserves</i>	PD	PD	PD	PD	The committee is discussing possible revisions to ASOP No. 36 and plans to present an exposure draft to the ASB at its September 2015 meeting.
ASOP No. 43, <i>Property/Casualty Unpaid Claim Estimates</i>	PD	PD	PD	PD	The committee is discussing possible revisions to ASOP No. 43 and plans to present an exposure draft to the ASB at its September 2015 meeting.
ENTERPRISE RISK MANAGEMENT COMMITTEE					
Subject Area	Qtr. 2014				Comments
	1	2	3	4	
Capital Adequacy Assessment	D	DD	DD	DD	A discussion draft on Capital Adequacy Assessment is being prepared, which the committee plans to present to the ASB at its March 2015 meeting.
GENERAL COMMITTEE					
Subject Area	Qtr. 2014				Comments
	1	2	3	4	
ASOP No. 23, <i>Data Quality</i>	PD	PD	PD	PD	The committee is discussing possible revisions to ASOP No. 23 and plans to present an exposure draft to the ASB at its September 2015 meeting.
ASOP No. 38, <i>Catastrophe Modeling (for All Practice Areas)</i>	F	F	F	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	R	R	E	The ASB approved a second exposure draft in January. The comment deadline is March 1, 2015.
ASOP No. 21, <i>Responding to or Assisting Auditors or Examiners in Connection with Financial Statements for All Practice Areas</i>		PD	PD	PD	A task force is discussing possible revisions to ASOP No. 21 and plans to present an exposure draft to the ASB at its June 2015 meeting.

HEALTH COMMITTEE					
Subject Area	Qtr. 2014				Comments
	1	2	3	4	
ASOP No. 5, <i>Incurred Health and Disability Claims</i>	PD	PD	PD	PD	The committee is discussing possible revisions to ASOP No. 5 and plans to present an exposure draft to the ASB at its June 2015 meeting.
<i>Medicaid Managed Care Capitation Rate Development and Certification</i>	E	R	R	R	The ASB is reviewing edits to the proposed final ASOP.
<i>Determining Minimum Value and Actuarial Value under the Affordable Care Act</i>	DD	DD	D	E	The ASB approved an exposure draft at its December 2014 meeting. The comment deadline is May 1, 2015.
LIFE COMMITTEE					
Subject Area	Qtr. 2014				Comments
	1	2	3	4	
Principle-based reserves	R	SE	SE	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 June 2015 meeting.
Life insurance and annuity pricing		PD	RC	P	The committee reviewed comments received on the “Request for Comments” and is presenting a proposal for an exposure draft to the ASB in March 2015.
PENSION COMMITTEE					
Subject Area	Qtr. 2014				Comments
	1	2	3	4	
ASOP No. 34 revision (<i>Actuarial Practice Concerning Retirement Plan Benefits in Domestic Relations Actions</i>)	D	D	E	R	The committee is currently reviewing comments and making revisions to the draft, and plans to present a final draft to the ASB at its September 2015 meeting.
<i>Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions</i>	D	D	D	E	The ASB approved an exposure draft at its December 2014 meeting. The comment deadline is May 29, 2015.
ASOPs and Public Pension Plan Funding and Accounting			RC	RC	The ASB issued a Request for Comments to solicit the views of actuaries and others who are interested in the application of the ASOPs to public plan actuarial valuations. An ASB subgroup is reviewing those comments and will report its findings to the ASB at its March 2015 meeting.

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



- *March 3–4, 2015*
- *June 10–11, 2015*
- *September 15–16, 2015*
- *December 9–10, 2015*

All ASB meetings are open to the public, and interested parties may attend. The ASB office should be notified 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) sets standards for appropriate actuarial practice in the United States through the development and promulgation of actuarial standards of practice (ASOPs). These ASOPs describe the procedures an actuary should follow when performing actuarial services and identify what the actuary should disclose when communicating the results of those services.

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