

# ACTUARIAL STANDARDS BOARD

## QUARTERLY REPORT FOR Q3 2008

### ASB Releases Exposure Draft on the Proposed Repeal of ASOP No. 31

The ASB has published an exposure draft of the proposed repeal of Actuarial Standard of Practice (ASOP) No. 31, *Documentation in Health Benefit Plan Ratemaking*.

The ASB has reviewed ASOP No. 31 and compared its guidance to ASOP No. 41, *Actuarial Communications*, and other ASOPs. The Board concluded that the guidance in ASOP No. 31 is addressed in ASOP No. 41 (both the existing version and the proposed revision) and other ASOPs, so ASOP No. 31 should be repealed.

To download the exposure draft, go to [www.actuarialstandardsboard.org/exposure.asp](http://www.actuarialstandardsboard.org/exposure.asp). The deadline for comments is December 31, 2008.

### ASB Approves Exposure Draft for ASOP No. 41

The ASB has approved for exposure a draft of a revision to ASOP No. 41, *Actuarial Communications*.

The goal of the ASOP No. 41 revision is (1) to make it clear the actuary is responsible for any assumptions and methods underlying the actuarial communication unless they are disclaimed, (2) to standardize the treatment of deviation among all ASOPs, and (3) to clarify the ASOP's wording and structural arrangement.

To download the exposure draft, go to [www.actuarialstandardsboard.org/exposure.asp](http://www.actuarialstandardsboard.org/exposure.asp). The deadline for comments is December 31, 2008.

### ASB Approves Final Deviation Language

The ASB has approved as a final document the *Deviation Language for Standards and Removal of References to PSAOs From Standards (All Practice Areas)*. This document ensures that the material on deviation is uniform in all ASOPs and outlines the sections to appear in all ASOPs to address deviation. It also outlines the removal of references to Prescribed Statements of Actuarial Opinions (PSAOs) in all ASOPs.

Please note that this document will take effect when the final version of the revision to ASOP No. 41 is approved.

To download the final version, go to [www.actuarialstandardsboard.org/pdf/deviation\\_112.pdf](http://www.actuarialstandardsboard.org/pdf/deviation_112.pdf).

### ASB Approves Revision to Introduction to the ASOPs

The ASB has approved a revision to the *Introduction to the Actuarial Standards of Practice (ASOPs)*.

This revision clarifies the language in sections 3.1.2 and 3.1.3 (now 3.1.3 and 3.1.4) regarding the process that the ASB follows when developing ASOPs, removed language in 3.2.3 that related to prescribed statements of actuarial opinion (PSAOs), and altered the language in section 4.6 to conform to the newly adopted *Deviation Language for Standards and Removal of References to PSAOs From Standards (All Practice Areas)*.

To download the revised *Introduction to the ASOPs*, go to [www.actuarialstandardsboard.org/pdf/asops/Introduction\\_113.pdf](http://www.actuarialstandardsboard.org/pdf/asops/Introduction_113.pdf).

### ASB Issues Request for Comments on ASOP Content, ASB Procedure

The ASB has issued a request for comments on ASOP content and ASB procedure.

This request for comments asks how the profession views the ASB and the ASOPs it produces. This is the first step in a review of ASB procedures. The ASB may propose further revisions to the *Introduction to the ASOPs* if it determines such changes are appropriate.

To download the request for comments, go to [www.actuarialstandardsboard.org/exposure.asp](http://www.actuarialstandardsboard.org/exposure.asp). The deadline for comments is December 31, 2008.

## **ASB to Revise ASOP No. 10**

The ASB has approved the ASB Life Committee's recommendation to revise ASOP No. 10, *Methods and Assumptions for Use in Life Insurance Company Financial Statements Prepared in Accordance with GAAP*.

ASOP No. 10 provides guidance in establishing methods and assumptions for use in life insurance companies' financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP). The ASB plans to remove interpretations of GAAP from the ASOP, and leave such interpretations to the accounting profession.

The Board plans to release an exposure draft outlining changes to the ASOP in 2009.

## **ASB to Meet December 8–9, 2008 in Washington**

The next scheduled meeting of the ASB will be December 8–9, 2008, at the Academy offices in Washington. For more information, contact the ASB at (202) 223-8196.