

ASB Adopts ASOP No. 49 on Medicaid

The Actuarial Standards Board (ASB) recently adopted actuarial standard of practice (ASOP) No. 49, *Medicaid Managed Care Capitation Rate Development and Certification*. The ASOP was developed to establish guidance for actuaries preparing, reviewing, or giving advice on capitation rates for Medicaid programs, including those certified in accordance with 42 CFR 438.6(c). Since the federal regulations took effect, actuaries have used various methods to prepare the capitation rates. ASOP No. 49 incorporates the appropriate aspects of these methods to establish guidance and considerations in the rate development process. ASOP No. 49, which will be effective for opinions and certifications issued on or after Aug. 1, 2015, can be viewed [here](#).

ASB Pension Task Force Will Review Public Pension Input

The ASB appointed a task force to review public pension input from sources, including the responses to the ASB's *Request for Comments on ASOPs and Public Pension Plan Funding and Accounting* to develop recommendations for ASB next steps.

ASB Approves Proposal for Life Insurance and Annuity Pricing ASOP

The ASB approved a proposal from the Life Committee for a new ASOP on the actuary's role in individual life insurance and annuity pricing. The ASOP would focus on the actuary's analysis associated with rate development for new products. The ASB plans to review an exposure draft in early 2016.

ASB Launches Enhanced Website

The ASB recently launched its newly enhanced website. The enhanced website allows for easier access on mobile devices and includes new features that allow users to view pop-up definitions in ASOPs, share items of interest on social networks, search the entire site or individual ASOPs, and review ASOPs in two distinct formats: webpage and downloadable PDF. Click [here](#) to bookmark the redesigned website in your browser and, when prompted, to add the icon to your mobile device's homepage for convenient access to the site and its new features.

ASB Publishes Its 2014 Annual Report

The ASB recently published the *2014 Annual Report of the Actuarial Standards Board* highlighting its work over the past year, which includes the adoption of four final revised ASOPs, the approval of six exposure drafts for comment, and the approval of proposals to revise four ASOPs for consistency with ASOP No. 1, *Introductory Standard of Practice*. In addition, the ASB issued two requests for comments (one on public pension plan funding, and one on life insurance and annuity pricing) and provided comment to the International Actuarial Association on the exposure draft of International Standard of Practice 3, *Actuarial Practice under IAS 19 Employee Benefits*. To read the annual report, click [here](#).

ASB AGENDA PROJECTS

April 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. 2015				Comments
	1	2	3	4	
Ratemaking	R				The committee is reviewing comments and making revisions to the draft, and plans to present a final draft to the ASB at its September 2015 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 2015 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 2015 meeting.
ENTERPRISE RISK MANAGEMENT COMMITTEE					
Subject Area	Qtr. 2015				Comments
	1	2	3	4	
Capital Adequacy Assessment	DD				A discussion draft currently titled Capital Adequacy Assessment is being prepared and will be released for feedback in 2015.
GENERAL COMMITTEE					
Subject Area	Qtr. 2015				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 2015 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	E				The committee is reviewing comments on the second exposure draft in January and plans to present another draft to the ASB at its June 2015 meeting.
ASOP No. 21, <i>Responding to or Assisting Auditors or Examiners in Connection with Financial Statements for All Practice Areas</i>	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. 2015				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 2015 meeting.
<i>Medicaid Managed Care Capitation Rate Development and Certification</i>	F				The ASB adopted a final revision at its March 2015 meeting as ASOP No. 49.
<i>Determining Minimum Value and Actuarial Value under the Affordable Care Act</i>	E				The ASB approved an exposure draft at its December 2014 meeting. The comment deadline is May 1, 2015.
LIFE COMMITTEE					
Subject Area	Qtr. 2015				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 final draft to the ASB at its June 2015 meeting.
Life insurance and annuity pricing	D				A task force is drafting an ASOP and plans to present an exposure draft to the ASOP in early 2016.
PENSION COMMITTEE					
Subject Area	Qtr. 2015				Comments
	1	2	3	4	
ASOP No. 34 revision (<i>Actuarial Practice Concerning Retirement Plan Benefits in Domestic Relations Actions</i>)	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>	E				The ASB approved an exposure draft at its December 2014 meeting. The comment deadline is May 29, 2015.
<i>Request for Comments on ASOPs and Public Pension Plan Funding and Accounting</i>	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 task force is reviewing comments.

► Looking Ahead...

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

- a revision of ASOP No. 21, *Responding to or Assisting Auditors or Examiners in Connection with Financial Statements for All Practice Areas* (proposed exposure draft from the General Committee)
- a new ASOP titled *Modeling* (proposed final draft from the General Committee)
- a new ASOP titled *Principle-Based Reserves for Life Products* (proposed final draft from the Life Committee)

► Meeting Schedule of the Actuarial Standards Board



- *June 10–11, 2015*
- *September 15–17, 2015*
- *December 9–10, 2015*
- *January 14-15, 2016 – ASB Planning Meeting (Location: TBA)*

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.

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
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