



## ACTUARIAL STANDARDS BOARD

Welcome to the Actuarial Standards Board's quarterly newsletter. Boxscore highlights and reports on the ASB's work in developing, updating, and promulgating actuarial standards of practice in the United States. Each issue provides information on ASB's current and upcoming projects, events, and recently completed projects.

August 2017

# BOXSCORE

## ASB Approves Second Exposure of Proposed ASOP on Life Insurance and Annuities Pricing

The Actuarial Standards Board (ASB) recently approved a second exposure draft of a proposed new actuarial standard of practice (ASOP) titled *Pricing of Life Insurance and Annuity Products*. The proposed ASOP will apply to actuaries when performing actuarial services with respect to the pricing of life insurance and annuity products when a product is initially developed or when charges or benefits are changed for future sales. The standard will not apply to any changes made on inforce policies. Such resetting of nonguaranteed elements, including dividends, on products in force will be outside the scope of the ASOP and are addressed in ASOP No. 2, *Nonguaranteed Charges or Benefits for Life Insurance Policies and Annuity Contracts*, and ASOP No. 15, *Dividends for Individual Participating Life Insurance, Annuities, and Disability Insurance*. The comment deadline for the exposure draft, which can be viewed [here](#), is Oct. 31, 2017. Information on how to submit comments can be found in the draft.

## ASB Boxscore Gets a New Look

The ASB is thrilled to unveil its revamped Boxscore design. In addition to updates on new ASOPs and revisions in development, the new design highlights upcoming deadlines for comments on discussion or exposure drafts. In addition, the design now echoes the user-friendly aesthetic of the recently refreshed ASB website. Please let us know if you have any questions about the new design.



## Looking Ahead

The ASB tentatively plans to review the following drafts during its September 2017 meeting:

- a new ASOP titled *Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions* (proposed final draft from the Pension Committee);
- a new ASOP titled *Principle-Based Reserves for Life Products* (proposed final draft from the Life Committee);
- a new ASOP titled *Capital Adequacy Assessment for Insurers* (proposed second exposure draft from the ERM Committee).

## Upcoming Deadlines

The ASB welcomes comments on exposure drafts of proposed ASOPs. Here are the current exposure drafts and comment deadlines; instructions for submitting comments can be found in the drafts.

### DRAFT

Proposed revision of ASOP No. 42, [Health and Disability Actuarial Assets and Liabilities Other Than Liabilities for Incurred Claims](#) (currently titled *Determining Health and Disability Liabilities Other Than Liabilities for Incurred Claims*)

Sept. 30, 2017

Second exposure draft of [Pricing of Life Insurance and Annuity Products](#)

Oct. 31, 2017

## Meetings

**SEPTEMBER 20–21, 2017**

**DECEMBER 4–6, 2017**

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.

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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.

# ASB Agenda Projects

## SUBJECT AREA

## 2017 QUARTER

## COMMENTS

## CASUALTY COMMITTEE

1 2 3 4

*Estimating Future Costs for Prospective Property/Casualty Risk Transfer and Risk Funding (formerly titled Property/Casualty Ratemaking)*

R

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The task force is reviewing comments on the third exposure draft, making revisions, and plans to present a final revised ASOP to the ASB at its December 2017 meeting.

## ENTERPRISE RISK MANAGEMENT COMMITTEE

*Capital Adequacy Assessment for Insurers*

R

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The committee is reviewing comments on the exposure draft, making revisions, and plans to present a second exposure draft to the ASB at its September 2017 meeting.

## GENERAL COMMITTEE

ASOP No. 17  
*Expert Testimony by Actuaries*

E

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The task force is reviewing comments on the exposure draft, making revisions, and plans to present a final ASOP to the ASB in late 2017 or early 2018.

ASOP No. 32  
*Social Insurance*

D

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The task force is drafting proposed revisions to the ASOP and plans to present an exposure draft to the ASB at its December 2017 meeting. (Note: This task force reports directly to the ASB instead of the General Committee.)

ASOP No. 38  
*Catastrophe Modeling (for All Practice Areas)*

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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

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The task force is reviewing comments on the third exposure draft, making revisions, and plans to present a final ASOP to the ASB at its December 2017 meeting.

*Setting Assumptions*

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The task force is reviewing comments on the exposure draft, making revisions, and plans to present a second exposure draft to the ASB at its March 2018 meeting.

## HEALTH COMMITTEE

ASOP No. 5  
*Incurred Health and Disability Claims*

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The ASB adopted a final revision at its March 2017 meeting with an effective date of Sept. 1, 2017.

ASOP No. 42  
*Determining Health and Disability Liabilities Other Than Liabilities for Incurred Claims*

D

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The ASB approved an exposure draft in May 2017. The revision would change the title of the ASOP to *Health and Disability Actuarial Assets and Liabilities Other Than Liabilities for Incurred Claims*. The comment deadline is Sept. 30, 2017.

## LIFE COMMITTEE

*Principle-Based Reserves for Life Products*

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The committee is reviewing comments on the exposure draft, making revisions, and plans to present a final ASOP to the ASB at its September 2017 meeting.

*Pricing Life Insurance and Annuity Products*

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SE

The ASB approved a second exposure draft in June 2017. The comment deadline is Oct. 31, 2017.

ASOP No. 2  
*Nonguaranteed Charges or Benefits for Life Insurance Policies and Annuity Contracts*

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A task force is drafting a revision to ASOP No. 2 and plans to present an exposure draft to the ASB at its December 2017 meeting.

## PENSION COMMITTEE

*Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions*

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The committee is reviewing comments on the second exposure draft, making revisions, and plans to present a final ASOP to the ASB at its September 2017 meeting.

Follow-up to Pension Task Force report

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The committee is developing proposed revisions to ASOP Nos. 4, 27, and 35, and plans to present exposure drafts to the ASB in late 2017 or early 2018.

## Legend:

PD Planning/Discussion  
P Proposal for Standard  
D Drafting  
DD Discussion Draft  
E Exposure Draft  
SE Second Exposure Draft

TE Third Exposure Draft  
R Revisions/Redrafting  
F Final Pronouncement  
DS Development Suspended  
WD Working Draft  
RC Request for Comments

Archived editions of the newsletter can be found on the ASB's website.  
[actuarialstandardsboard.org](http://actuarialstandardsboard.org)

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