



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.

February 2018

# BOXSCORE

## ASB Adopts ASOP No. 53 on Property/Casualty Risk Transfer and Risk Retention

The Actuarial Standards Board (ASB) recently adopted Actuarial Standard of Practice (ASOP) No. 53, *Estimating Future Costs for Prospective Property/Casualty Risk Transfer and Risk Retention*. The ASOP provides guidance to actuaries when performing actuarial services with respect to developing or reviewing future cost estimates for prospective property/casualty risk transfer and risk retention. This includes future cost estimates for insurance, reinsurance, self-insurance, loss portfolio transfers, or any other mechanisms for risk transfer or risk retention.

The ASOP incorporates all of the considerations contained in the Casualty Actuarial Society's *Statement of Principles Regarding Property and Casualty Ratemaking* and addresses issues related to the estimation of costs for risk transfer and risk retention not currently addressed in existing ASOPs. The ASOP also references other existing ASOPs that include relevant issues related to the estimation of future costs for prospective risk transfer and risk retention. The ASOP will be effective for work performed on or after Aug. 1, 2018. ASOP No. 53 can be viewed [here](#).

## Academy Adopts Revised Meetings Policy

The American Academy of Actuaries recently updated its meetings policy, which can be reviewed [here](#). If anyone is interested in attending an ASB meeting, please review the Board and Committee Meetings Policy and contact Erica Kennedy at [kennedy@actuary.org](mailto:kennedy@actuary.org) with your request to attend at least 10 days before the meeting.



## ASB Welcomes New Members; Chair Appointments

The ASB welcomed two new members, Robert Damler (health) and Mita Drazilov (pension), on Jan. 1, 2018. The appointments begin the first of a three-year term. Beth Fitzgerald (casualty), who has been a vice chairperson, was appointed the ASB's chairperson. Two vice chairpersons also were appointed: Kathy Riley (pension) and Maryellen Coggins (enterprise risk management). ASB member Barbara Snyder was appointed to a second three-year term. The ASB thanks its outgoing members, ASB Vice Chairperson for Operations Frank Todisco (pension) and ASB member Ross Winkelman (health), for their contributions as members of the ASB. Both had been ASB members since 2015; Todisco served as a vice chairperson for the past two years.

## Looking Ahead

The ASB tentatively plans to review the following drafts during its March 2018 meeting:

- a new ASOP titled *Assumptions* (proposed second exposure draft from the General Committee);
- a revision of ASOP No. 42, *Determining Health and Disability Liabilities Other Than Liabilities for Incurred Claims* (proposed final ASOP from the Health Committee); and
- a revision of ASOP No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions* (proposed exposure draft from the Pension Committee).

## Meetings

**MARCH 7–9, 2018**

**JUNE 13–14, 2018**

**SEPTEMBER 5–6, 2018**

**DECEMBER 4–5, 2018**

The ASB office should be notified of interest in attending meetings. Please review the Board and Committee Meetings Policy and contact Erica Kennedy at [kennedy@actuary.org](mailto:kennedy@actuary.org) with your request to attend at least 10 days before the meeting.

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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 Projects

SUBJECT AREA	2017 QUARTER				COMMENTS
	1	2	3	4	
<b>CASUALTY COMMITTEE</b>					
<i>Estimating Future Costs for Prospective Property/Casualty Risk Transfer and Risk Retention (formerly titled Property/Casualty Ratemaking)</i>	R	R	R	F	The ASB adopted the standard as ASOP No. 53 at its December 2017 meeting. The effective date is Aug. 1, 2018.
<b>ENTERPRISE RISK MANAGEMENT COMMITTEE</b>					
<i>Capital Adequacy Assessment for Insurers</i>	R	R	R	R	The committee is continuing to make revisions, and plans to present a second exposure draft to the ASB in late 2018.
<b>GENERAL COMMITTEE</b>					
ASOP No. 17 <i>Expert Testimony by Actuaries</i>	E	R	R	R	The task force is reviewing comments on the exposure draft, making revisions, and plans to present a final ASOP to the ASB in 2018.
ASOP No. 32 <i>Social Insurance</i>	D	D	D	D	The task force is drafting a revision of ASOP No. 32 and plans to present an exposure draft to the ASB at its June 2018 meeting. (Note: This task force reports directly to the ASB instead of the General Committee.)
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.
<i>Modeling</i>	R	R	R	R	The task force is reviewing comments on the third exposure draft, making revisions, and plans to present a fourth exposure draft to the ASB at its June 2018 meeting.
<i>Assumptions</i>	R	R	R	R	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.
<b>HEALTH COMMITTEE</b>					
ASOP No. 3 <i>Continuing Care Retirement Communities</i>				P	The ASB approved a proposal in December 2017 to revise the ASOP. A task force is being formed with plans to present an exposure draft to the ASB in late 2018.
ASOP No. 42 <i>Determining Health and Disability Liabilities Other Than Liabilities for Incurred Claims</i>	D	D	R	R	The task force is reviewing comments on the exposure draft, making revisions, and plans to present a final ASOP to the ASB at its March 2018 meeting.
<b>LIFE COMMITTEE</b>					
<i>Pricing Life Insurance and Annuity Products</i>	R	R	R	R	The task force is reviewing comments on the second exposure draft, making revisions, and plans to present a final ASOP to the ASB at its June 2018 meeting.
ASOP No. 2 <i>Nonguaranteed Charges or Benefits for Life Insurance Policies and Annuity Contracts</i>	D	D	D	D	A task force is drafting a revision of ASOP No. 2 and plans to present an exposure draft to the ASB at its June 2018 meeting.
ASOP No. 11 <i>Financial Statement Treatment of Reinsurance Transactions Involving Life or Health Insurance</i>			P	D	A task force is drafting a revision of ASOP No. 11 and plans to present an exposure draft to the ASB at its September 2018 meeting.
ASOP No. 22 <i>Statements of Opinion Based on Asset Adequacy Analysis by Actuaries for Life or Health Insurers</i>			P	D	A task force is drafting a revision of ASOP No. 22 and plans to present an exposure draft to the ASB at its December 2018 meeting.
<b>PENSION COMMITTEE</b>					
ASOP No. 4 <i>Measuring Pension Obligations and Determining Pension Plan Costs or Contributions;</i> ASOP No. 27 <i>Selection of Economic Assumptions for Measuring Pension Obligations;</i> and ASOP No. 35 <i>Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations</i>	R	R	R	R	The committee is drafting revisions of ASOP Nos. 4, 27, and 35. The committee presented exposure drafts of ASOP Nos. 27 and 35 to the ASB at its December 2017 meeting, and plans to present an exposure draft of ASOP No. 4 to the ASB at its March 2018 meeting.

## 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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