The Actuarial Standards Board (ASB) recently approved exposure drafts of revisions of Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*; No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*; and No. 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*.

The revisions are based on suggestions from the Pension Task Force report issued in 2016 as a result of comments received on a 2014 Request for Comments on ASOPs and Public Pension Plan Funding and Accounting as well as a subsequent 2015 public hearing held on proposed ASOPs applicable to actuarial work regarding public plans. The ASB directed its Pension Committee to draft appropriate modifications to pension ASOPs to implement the Pension Task Force suggestions. The modifications in response to comments received are reflected in the exposure drafts of ASOP Nos. 4, 27, and 35. The comment deadline for the exposure drafts is July 31, 2018. Information on how to submit comments can be found in the drafts.
ASB Adopts Revision of ASOP No. 42

The ASB approved a final revision of ASOP No. 42, now titled *Health and Disability Actuarial Assets and Liabilities Other Than Liabilities for Incurred Claims*. The standard has been revised to incorporate references to new standards that have been issued since the ASOP’s initial 2004 adoption and 2011 update for deviation language. In addition, revisions were made to eliminate guidance that does not conform to current ASOP practices regarding references to other standards of practice and to make consistent the definitions used in the standard with those of other standards of practice. The revision reflects relevant legal, regulatory, and practice developments that have occurred since its initial adoption, and also reflects modifications made in response to comments received during the exposure period. Notable changes to the revision include adding a definition for “collectability” and adding a Reliance on Experts section to further support the guidance on collectability. The standard will be effective for any actuarial work product with a valuation date on or after Aug. 1, 2018.

Looking Ahead

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

- a new ASOP titled *Pricing of Life Insurance and Annuity Products* (proposed final ASOP from the Life Committee);
- a revision of ASOP No. 17, *Expert Testimony by Actuaries* (proposed final ASOP from the General Committee); and
- a new ASOP titled *Modeling* (proposed fourth exposure draft from the General Committee).

Meetings

**JUNE 13–14, 2018**

**SEPTEMBER 5–6, 2018**

**DECEMBER 4–5, 2018**

**MARCH 6–7, 2019**

The ASB meetings are held in compliance with the meeting policy established by the American Academy of Actuaries. The ASB office should be notified of any intent to observe the meetings at least 10 days in advance of the meeting by contacting Assistant Director of Professionalism Erica Kennedy at kennedy@actuary.org. Unless otherwise noted, meetings take place at the American Academy of Actuaries’ office in Washington, D.C.
### CASUALTY COMMITTEE

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

- **2018 QUARTER:** 1 2 3 4
- **Comments:** The ASB adopted the standard as ASOP No. 53 at its December 2017 meeting. The effective date is Aug. 1, 2018.

### ENTERPRISE RISK MANAGEMENT COMMITTEE

**Capital Adequacy Assessment for Insurers**

- **2018 QUARTER:**
- **Comments:** The committee is continuing to make revisions, and plans to present a second exposure draft to the ASB in late 2018.

### GENERAL COMMITTEE

**ASOP No. 17**

- **Expert Testimony by Actuaries**
- **2018 QUARTER:**
- **Comments:** A task force is reviewing comments on the exposure draft, making revisions, and plans to present a final ASOP to the ASB in June 2018.

**ASOP No. 32**

- **Social Insurance**
- **2018 QUARTER:**
- **Comments:** A task force is drafting a revision of ASOP No. 32 and plans to present an exposure draft to the ASB at its September 2018 meeting. (Note: This task force reports directly to the ASB instead of the General Committee.)

**ASOP No. 38**

- **Catastrophe Modeling (for All Practice Areas)**
- **2018 QUARTER:**
- **Comments:** 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**

- **2018 QUARTER:**
- **Comments:** A 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.

**Setting Assumptions**

- **2018 QUARTER:**
- **Comments:** A task force is reviewing comments on the exposure draft, making revisions, and plans to present a second exposure draft to the ASB at its September 2018 meeting.

### HEALTH COMMITTEE

**ASOP No. 3**

- **Continuing Care Retirement Communities**
- **2018 QUARTER:**
- **Comments:** 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**

- **Determining Health and Disability Liabilities Other Than Liabilities for Incurred Claims**
- **2018 QUARTER:**
- **Comments:** The ASB adopted a final revision at its March 2018 meeting. The effective date is Aug. 1, 2018.

### LIFE COMMITTEE

**Pricing Life Insurance and Annuity Products**

- **2018 QUARTER:**
- **Comments:** A 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**

- **Nonguaranteed Charges or Benefits for Life Insurance Policies and Annuity Contracts**
- **2018 QUARTER:**
- **Comments:** A task force is drafting a revision of ASOP No. 2 and plans to present an exposure draft to the ASB at its September 2018 meeting.

**ASOP No. 11**

- **Financial Statement Treatment of Reinsurance Transactions Involving Life or Health Insurance**
- **2018 QUARTER:**
- **Comments:** 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**

- **Statements of Opinion Based on Asset Adequacy Analysis by Actuaries for Life or Health Insurers**
- **2018 QUARTER:**
- **Comments:** 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.

### PENSION COMMITTEE

**ASOP No. 4**

- **Measuring Pension Obligations and Determining Pension Plan Costs or Contributions**
- **2018 QUARTER:**
- **Comments:** The ASB approved exposure drafts of ASOP Nos. 4, 27, and 35 in March 2018. The comment deadline for the three ASOPs is July 31, 2018.