

## ACTUARIAL STANDARDS BOARD QUARTERLY REPORT FOR Q1 2018

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

The ASB 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 Actuarial Standard of Practice (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 also 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.

### **ASB to Meet June 13-14 in Washington**

The next regularly scheduled meeting of the ASB will be held June 13-14, 2018 at the Academy offices in Washington, D.C.