

## ACTUARIAL STANDARDS BOARD QUARTERLY REPORT FOR Q3 2018

### **ASB Adopts New ASOP No. 54**

The ASB adopted new ASOP No. 54, *Pricing of Life Insurance and Annuity Products*. ASOP No. 54 applies 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 does not apply to any changes made on in-force policies. A first exposure draft was issued in March 2016, for which 17 comment letters were received. The ASB approved a second exposure draft in June 2017, for which six comment letters were received. Comments from both exposure drafts were considered in making changes reflected in the final ASOP. The standard will be effective for any actuarial services performed on or after Dec. 1, 2018.

### **ASOP Adopts Revision of ASOP No. 17**

The ASB adopted new a revision of ASOP No. 17, *Expert Testimony by Actuaries*. The revision of ASOP No. 17 applies to actuaries who are qualified as experts under the evidentiary rules applicable in a forum when they provide testimony in court hearings, dispute resolutions, depositions, rate hearings, legislative hearings, or other similar proceedings. The exposure draft was issued in April 2017, and 11 comment letters were received and considered in making changes that are reflected in the final ASOP. Notable changes to the revision include rewording section 1.2, Scope, to provide additional guidance regarding the circumstances under which the standard applies and clarifying the definition of “expert.” The standard will be effective for all expert testimony provided by the actuary on or after Dec. 1, 2018.

### **ASB Celebrates 30 Years of Standards-Setting**

This year marks 30 years of ASB standards-setting work. In the mid-'80s, actuarial standards of practice addressing specific regulatory issues were being written on an as-needed basis by various Academy committees and approved by the Academy Board. By 1985, the Academy decided there was a need for a centralized clearinghouse for actuarial standards that represented appropriate practices for the entire profession and that there was enough important standards work to be done for a concentrated group to undertake. Therefore, an interim standards board was established in 1985 and succeeded by a permanent standards board in 1988, comprised of the actuaries who had served in the interim board capacity. Today, the ASB comprises nine persons, representing a broad range of backgrounds and areas of actuarial practice. The ASB sets standards for appropriate actuarial practice in the U.S. These standards 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. To date, the ASB has adopted 54 standards of practice, many of which have been and continue to be revised to reflect appropriate practice. Happy birthday, ASB!

### **ASB to Meet December 4-6 in Washington**

The next regularly scheduled meeting of the ASB will be held December 4-6 at the Academy offices in Washington, D.C.