



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.

Spring 2021

BOXSCORE

ASB Adopts ASOP No. 11 Revision

The Actuarial Standards Board (ASB) of the American Academy of Actuaries recently adopted a final revision of Actuarial Standard of Practice (ASOP) No. 11, now titled *Treatment of Reinsurance or Similar Risk Transfer Programs Involving Life Insurance, Annuities, or Health Benefit Plans in Financial Reports*. The ASOP provides guidance to actuaries when performing actuarial services with respect to financial reports that reflect reinsurance programs that involve life insurance, annuities, or health benefit plans. This standard applies to actuaries when performing actuarial services in connection with preparing, determining, analyzing, or reviewing financial reports for internal or external use that reflect reinsurance or similar risk transfer programs on life insurance, annuities, or health benefit plans. The standard is effective for actuarial services performed in connection with financial reports issued on or after Dec. 1, 2022.

ASB Releases 2020 Annual Report

The ASB released its [2020 Annual Report](#), which highlights the board's accomplishments throughout the year, including adopting three revised ASOPs, approving five exposure drafts for comment, and approving proposals to revise 10 existing ASOPs and one actuarial compliance guideline.



ASB Approves Exposure Draft of Proposed ASOP No. 18 Revision

The ASB approved an exposure draft of a revision of ASOP No. 18, now titled *Long-Term Care*. The ASOP provides guidance to actuaries when performing actuarial services with respect to long-term care (LTC) benefit plans sponsored by insurers or other entities. The standard applies to actuaries designing, pricing, or determining funding of an LTC benefit plan and also to actuaries measuring or evaluating LTC liabilities within an LTC benefit plan. The standard does not apply to actuaries providing actuarial services related to LTC benefits for Medicaid eligible recipients, unless the actuarial services are for a long-range financial projection of LTC benefit expenditures and eligible recipients under the Medicaid program. The comment deadline for the exposure draft is Sept. 1, 2021. Information on how to submit comments can be found in the [exposure draft](#).

Looking Ahead

The ASB tentatively plans to review the following drafts during its June 2021 meeting:

- a proposed revision of ASOP No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions* (third exposure draft from the Pension Committee);
- a proposed revision of ASOP No. 24, *Compliance with the NAIC Life Insurance Illustrations Model Regulation* (exposure draft from the Life Committee);
- a revision of ASOP No. 28, *Statements of Actuarial Opinion Regarding Health Insurance Assets and Liabilities* (proposed final ASOP from the Health Committee); and
- a revision of ASOP No. 38, *Catastrophe Modeling (for All Practice Areas)* (proposed final ASOP from the General Committee).

Meetings

JUNE 2–4, 2021 (VIRTUAL)

SEPTEMBER 20–22, 2021

DECEMBER 6–7, 2021

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.

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.

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ASB Projects

SUBJECT AREA	2021 QUARTER				COMMENTS
	1	2	3	4	
CASUALTY COMMITTEE					
ASOP No. 20, <i>Discounting of Property/Casualty Unpaid Claims Estimates</i>	D				A task force is drafting a proposed revision and plans to present an exposure draft to the ASB in 2022.
ASOP No. 29, <i>Expense Provisions in Property/Casualty Insurance Ratemaking</i>	D				A task force is drafting a proposed revision and plans to present an exposure draft to the ASB at its September 2021 meeting.
ASOP No. 36, <i>Statements of Actuarial Opinion Regarding Property/Casualty Loss and Loss Adjustment Expense Reserves</i>	D				A task force is drafting a proposed revision and plans to present an exposure draft to the ASB at its December 2021 meeting.
ENTERPRISE RISK MANAGEMENT COMMITTEE					
ASOP No. 46, <i>Risk Evaluation in Enterprise Risk Management</i> , and ASOP No. 47, <i>Risk Treatments in Enterprise Risk Management</i>	D				The ERM Committee is drafting proposed revisions and plans to present exposure drafts to the ASB at its December 2021 meeting.
GENERAL COMMITTEE					
ASOP No. 12, <i>Risk Classification</i>	D				A task force is drafting a proposed revision and plans to present an exposure draft to the ASB at its December 2021 meeting.
ASOP No. 32, <i>Social Insurance</i>	F				The ASB adopted a final revision at its March 2020 meeting. The effective date is Sept. 1, 2021.
ASOP No. 38, now titled <i>Catastrophe Modeling (for All Practice Areas)</i>	R				The ASB approved an exposure draft in October 2020 with a comment deadline of Jan. 15, 2021. The task force is reviewing comments, making revisions, and plans to present a proposed final ASOP to the ASB in June 2021.
<i>Setting Assumptions</i>	R				The ASB approved a third exposure draft in October 2020 with a comment deadline of April 15, 2021. The task force is reviewing comments, making revisions, and plans to present a proposed final ASOP to the ASB in September 2021.
ASOP No. 41, <i>Actuarial Communications</i>	D				A task force is drafting a proposed revision and plans to present an exposure draft to the ASB at its December 2021 meeting. <i>*Note: This task force reports directly to the ASB.</i>
HEALTH COMMITTEE					
ASOP No. 3, <i>Continuing Care Retirement Communities</i>	R				The ASB approved an exposure draft in November 2020 with a comment deadline of Feb. 1, 2021. The task force is reviewing comments, making revisions, and plans to present a proposed final ASOP to the ASB in September 2021.
ASOP No. 18, <i>Long-Term Care Insurance</i>	E				The ASB approved an exposure draft at its March 2021 meeting with a comment deadline of Sept. 1, 2021.
ASOP No. 28, <i>Statements of Actuarial Opinion Regarding Health Insurance Liabilities and Assets</i>	R				The ASB approved an exposure draft at its March 2020 meeting with a comment deadline of Nov. 13, 2020. The task force is reviewing comments, making revisions, and plans to present a proposed final ASOP to the ASB in June 2021.
ASOP No. 45, <i>The Use of Health Status Based Risk Adjustment Methodologies</i>	P				The ASB approved a proposal in October 2020 for the creation of a task force of the Committee to revise ASOP No. 45.
LIFE COMMITTEE					
ASOP No. 2, now titled <i>Nonguaranteed Elements for Life Insurance and Annuity Products</i>	R				The ASB approved a second exposure draft at its June 2020 meeting with a comment deadline of Nov. 13, 2020. The task force is reviewing comments, making revisions, and plans to present a proposed final ASOP to the ASB in September 2021.
ASOP No. 11, now titled <i>Reinsurance Involving Life Insurance, Annuities, or Health Coverages in Financial Reports</i>	F				The ASB adopted a final revision in April 2021. The effective date is Dec. 1, 2022.
ASOP No. 22, <i>Statements of Actuarial Opinion Based on Asset Adequacy Analysis for Life or Health Insurers</i>	R				The ASB approved a second exposure draft at its March 2020 meeting with a comment deadline of Nov. 30, 2020. The task force is reviewing comments, making revisions, and plans to present a proposed final ASOP to the ASB in September 2021.
ASOP No. 7, <i>Analysis of Life, Health, or Property/Casualty Insurer Cash Flows</i>	D				A task force is drafting a proposed revision and plans to present an exposure draft to the ASB at its December 2021 meeting.

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Legend:

PD	Planning/Discussion	TE	Third Exposure Draft
P	Proposal for Standard	R	Revisions/Redrafting
D	Drafting	F	Final Pronouncement
DD	Discussion Draft	DS	Development Suspended
E	Exposure Draft	WD	Working Draft
SE	Second Exposure Draft	RI	Request for Input

ASB Projects

SUBJECT AREA	2021 QUARTER				COMMENTS
	1	2	3	4	
LIFE COMMITTEE (continued)					
ASOP No. 10, <i>Methods and Assumptions for Use in Life Insurance Company Financial Statements Prepared in Accordance with U.S. GAAP</i>	D				A task force is drafting a proposed revision and plans to present an exposure draft to the ASB at its December 2021 meeting.
ASOP No. 24, <i>Compliance with the NAIC Life Insurance Illustrations Model Regulation</i>	D				A task force is drafting a proposed revision and plans to present an exposure draft to the ASB at its June 2021 meeting.
Reinsurance Pricing ASOP	D				A task force is drafting a proposed ASOP on reinsurance pricing and plans to present an exposure draft to the ASB in 2022.
Actuarial Compliance Guideline 4	D				A task force is converting ACG 4 into a proposed ASOP and plans to present an exposure draft to the ASB in 2022.
PENSION COMMITTEE					
ASOP No. 4, <i>Measuring Pension Obligations and Determining Pension Plan Costs or Contributions</i>	R				The ASB approved a second exposure draft at its December 2019 meeting. The comment deadline was extended to July 31, 2020. The committee is reviewing comments, making revisions, and plans to present a third exposure draft to the ASB at its June 2021 meeting.
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>	F				The ASB adopted final revisions of ASOP Nos. 27 and 35 in June 2020. The effective date for both ASOPs is Aug. 1, 2021.

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
 RI Request for Input

Archived editions of the newsletter can be found on the ASB's website. actuarialstandardsboard.org

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