



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.

Summer 2021

BOXSCORE

ASB Approves Exposure Draft of Proposed ASOP No. 24 Revision

The Actuarial Standards Board (ASB) approved an exposure draft of a proposed revision of Actuarial Standard of Practice (ASOP) No. 24, *Compliance with the NAIC Life Insurance Illustrations Model Regulation*. The ASOP provides guidance to actuaries when performing actuarial services with respect to applicable law (statutes, regulations, and other legally binding authority) based on the NAIC Life Insurance Illustrations Model Regulation and related NAIC actuarial guidelines or when performing actuarial services with respect to illustrations represented to be in accordance with the model and related NAIC actuarial guidelines. The comment deadline for the exposure draft is Sept. 30, 2021. Information on how to submit comments can be found in the [exposure draft](#).

ASB Approves Third Exposure Draft of Proposed ASOP No. 4 Revision

The ASB approved a third exposure draft of a proposed revision of ASOP No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*. The standard provides guidance to actuaries when performing actuarial services with respect to measuring obligations under a defined benefit pension plan and determining periodic costs or actuarially determined contributions for such plans. The standard addresses broader measurement issues, including cost allocation procedures and contribution allocation procedures. The standard also provides guidance for coordinating and integrating all of the elements of an actuarial valuation of a pension plan. The comment deadline for the third exposure draft is Oct. 15, 2021. Information on how to submit comments can be found in the [exposure draft](#).



ASB Adopts ASOP No. 38 Revision

The ASB adopted a final revision of ASOP No. 38, now titled *Catastrophe Modeling (for All Practice Areas)*. The standard provides guidance to actuaries when performing actuarial services with respect to selecting, using, reviewing, or evaluating catastrophe models. The standard applies to actuaries in any practice area when performing actuarial services with respect to selecting, using, reviewing, or evaluating catastrophe models to assess risk, including but not limited to models of hurricanes, earthquakes, severe convective storms, terrorist acts, and pandemics. The standard also applies to the selection, use, review, or evaluation of catastrophe models, whether or not they are proprietary in nature. The ASOP was revised to be consistent with ASOP No. 56, *Modeling*, and other recent ASOPs. [The standard](#) is effective for work performed on or after Dec. 1, 2021.

ASB Adopts ASOP No. 28 Revision

The ASB adopted a final revision of ASOP No. 28, now titled *Statements of Actuarial Opinion Regarding Health Insurance Assets and Liabilities*. The ASOP provides guidance to actuaries when performing actuarial services with respect to issuing or reviewing a statement of actuarial opinion regarding health insurance assets and liabilities. [The standard](#) is effective for work performed involving statements of actuarial opinion regarding health insurance assets and liabilities issued on or after July 1, 2022.

Looking Ahead...

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

- A revision of ASOP No. 2, *Nonguaranteed Elements for Life Insurance and Annuity Products* (final ASOP from the Life Committee);
- A revision of ASOP No. 3, *Continuing Care Retirement Communities and At Home Programs* (final ASOP from the Health Committee);
- A revision of ASOP No. 22, *Statements of Actuarial Opinion Based on Asset Adequacy Analysis for Life Insurance, Annuity, or Health Insurance Reserves and Other Liabilities* (final ASOP from the Life Committee); and
- A proposed new ASOP titled *Setting Assumptions* (final ASOP from the General Committee).

Meetings

SEPTEMBER 20–22 (VIRTUAL)

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.

DECEMBER 6–8

MARCH 9–10, 2022

JUNE 8–9, 2022

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.

Erica Kennedy

Assistant Director of Professionalism
(Actuarial Standards)
kennedy@actuary.org

Virginia Hulme

ASB Standards Editor/
Professionalism Coordinator
hulme@actuary.org

Actuarial Standards Board
1850 M Street NW, Suite 300
Washington, DC 20036
Phone: 202-223-8196
Fax: 202-223-1248
actuarialstandardsboard.org

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	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	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. 30, <i>Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking</i>		P			The ASB approved a proposal in June 2021 for the creation of a task force of the Committee to revise ASOP No. 30.
ASOP No. 36, <i>Statements of Actuarial Opinion Regarding Property/Casualty Loss and Loss Adjustment Expense Reserves</i>	D	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	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	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	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	F			The ASB adopted a final revision at its June 2021 meeting. The effective date is Dec. 1, 2021.
<i>Setting Assumptions</i>	R	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	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	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	R			The ASB approved an exposure draft at its March 2021 meeting with a comment deadline of Sept. 1, 2021. The task force is reviewing comments, making revisions, and plans to present a proposed final ASOP to the ASB in March 2022.
ASOP No. 28, <i>Statements of Actuarial Opinion Regarding Health Insurance Liabilities and Assets</i>	R	F			The ASB adopted a final revision at its June 2021 meeting. The effective date is July 1, 2022.
ASOP No. 45, <i>The Use of Health Status Based Risk Adjustment Methodologies</i>	P	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	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. 7, <i>Analysis of Life, Health, or Property/Casualty Insurer Cash Flows</i>	P	P			The ASB approved a proposal in December 2020 for the creation of a task force of the Committee to revise ASOP No. 7.
ASOP No. 10, <i>Methods and Assumptions for Use in Life Insurance Company Financial Statements Prepared in Accordance with U.S. GAAP</i>	D	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

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LIFE COMMITTEE					
ASOP No. 11, now titled <i>Reinsurance Involving Life Insurance, Annuities, or Health Coverages in Financial Reports</i>	F	F			The ASB adopted a final revision in April 2021. The effective date is Dec. 1, 2022.
ASOP No. 22, now titled <i>Statements of Actuarial Opinion Based on Asset Adequacy Analysis for Life Insurance, Annuity, or Health Insurance Reserves and Other Liabilities</i>	R	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. 24, <i>Compliance with the NAIC Life Insurance Illustrations Model Regulation</i>	D	E			The ASB approved an exposure draft at its June 2021 meeting with a comment deadline of Sept. 30, 2021.
ASOP No. 40, <i>Compliance with the NAIC Valuation of Life Insurance Policies Model Regulation with Respect to Deficiency Reserve Mortality</i>		P			The ASB approved a proposal in June 2021 for the creation of a task force to revise ASOP No. 40.
Reinsurance Pricing ASOP	D	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	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	E			The ASB approved a third exposure draft at its June 2021 meeting with a comment deadline of Oct. 15, 2021.
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	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.



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E	Exposure Draft	WD	Working Draft
SE	Second Exposure Draft	RI	Request for Input

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

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