

**REPEAL OF  
ACTUARIAL STANDARD  
OF PRACTICE  
NO. 14**

**WHEN TO DO CASH FLOW TESTING  
FOR LIFE AND HEALTH  
INSURANCE COMPANIES**

**Developed by the  
Life Committee of the  
Actuarial Standards Board**

**Repealed by the  
Actuarial Standards Board  
September 2001**

**Doc. No. 082**

September 2001

**TO:** Members of Actuarial Organizations Governed by the Standards of Practice of the Actuarial Standards Board and Other Persons Interested in Cash Flow Testing for Life and Health Insurance Companies

**FROM:** Actuarial Standards Board (ASB)

**SUBJ:** Repeal of Actuarial Standard of Practice (ASOP) No. 14

This booklet notes the repeal of ASOP No. 14, *When to Do Cash Flow Testing for Life and Health Insurance Companies*.

#### Background

To guide actuaries who needed to perform cash flow testing, the Actuarial Standards Board adopted ASOP No. 7, then titled *Performing Cash Flow Testing for Insurers*, in October 1988 (revised July 1991 and September 2001). In addition, in July 1990 the ASB adopted ASOP No. 14, *When to Do Cash Flow Testing for Life and Health Insurance Companies*, to provide guidance in determining whether or not to do cash flow testing in forming a professional opinion or recommendation.

As part of the project to look at all cash flow testing standards of practice, a task force of the ASB's Life Committee reviewed ASOP No. 7 (titled, as of September 2001, *Analysis of Life, Health, or Property/Casualty Insurer Cash Flows*), ASOP No. 14 (*When to do Cash Flow Testing for Life and Health Insurance Companies*), and ASOP No. 22 (titled, as of September 2001, *Statements of Opinion Based on Asset Adequacy Analysis by Actuaries for Life or Health Insurers*). Relevant portions of ASOP No. 14 were incorporated within the 2001 revisions of ASOP No. 7 and ASOP No. 22.

At its September 2001 meeting, the ASB voted to adopt the revised ASOP No. 7 and ASOP No. 22 and to repeal ASOP No. 14.

ASOP No. 14 is repealed for any work performed on or after April 15, 2002.