

Title of Exposure Draft: ASOP No. 6 Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions

Comment Deadline: May 15, 2026

Instructions: Please review the exposure draft, and give the ASB the benefit or your recommendations by completing this comment template. Please fill out the tables within the section below, adding rows as necessary. Sample for completing the template provided at the following link:

Each completed comment template received by the comment deadline will receive consideration by the drafting committee and the ASB. The ASB accepts comments by email. Please send to comments@actuary.org and include the phrase 'ASB COMMENTS' in the subject line. Please note: Any email not containing this exact phrase in the subject line will be deleted by our system's spam filter.

The ASB posts all signed comments received to its website to encourage transparency and dialogue. Comments received after the deadline may not be considered. Anonymous comments will not be considered by the ASB nor posted to the website. Comments will be posted in the order that they are received. The ASB disclaims any responsibility for the content of the comments, which are solely the responsibility of those who submit them.

Restating comments verbatim or with slight variations may slow down the ASB review process. If you wish to reinforce any comments provided in another commentator's submission, please clearly state how your comments agree or differ.

I. Identification:

Name of Commentator or Company
Mary P. Kirby, FSA, FCA, MAAA, Senior Vice President and Chief Health Actuary on behalf of Segal

II. ASB Questions (If Any). Responses to any transmittal memorandum questions should be entered below.

Question No.	Commentator Response
1. Is the guidance on age-specific costs, specifically related to pooled health plans (section 3.7.7[a]) and exceptions to use of age-specific costs (section 3.7.7[b]), clear and appropriate? If not, please explain.	We believe the guidance is clear, but would note that many times the demographics of a pooled health plan are not available and only the demographics of the population that is being valued is available. It is incumbent on the actuary to determine if the demographics of the particular group are similar to the pooled plan or may need some sort of adjustment. It is difficult to determine that if the pooled plan will not provide data.
2. This proposed standard requires the actuary to identify and assess pertinent risks when performing all valuations related to retiree group benefits. In contrast, ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, only applies when performing funding-related valuations for pension plans. Is it appropriate to apply the guidance in sections 3.28 and 3.29 to all valuations related to retiree group benefits, including valuations for accounting measurements, rather than only funding-related valuations?	We do not think disclosures of risk should apply because OPEB benefits are not guaranteed. If disclosures are required, they should be limited to funding valuations consistent with ASOP 4. The accounting valuations already require sensitivity values around trend and/or discount rate (depending upon the Standard). We have not provided specific changes to sections 3.28 and 3.29 consistent with this comment.
3. Is section 3.2, General Procedures, helpful?	Yes, Section 3.2 is helpful, as it provides a clear principles-based framework that supports professional judgment and reasonable measurement procedures for retiree group benefits.

III. Specific Recommendations:

Section # (e.g. 3.2.a)	Commentator Recommendation (Please provide recommended wording for any suggested changes)	Commentator Rationale (Support for the recommendation)
3.4.2 Events After the measurement date	If the actuary is aware of events that occur subsequent to the measurement date and prior to the date of the actuarial communication, the actuary should reflect those events appropriately for the purpose of the measurement. The actuary should determine whether the purpose of the measurement requires, prohibits, or allows the actuary the option of reflecting such events in the measurement.	We believe it is important to note that the rules for accounting valuations vary on what can be recognized and what cannot—or what conditions must be present to recognize. While the second sentence implies this, we think it is important to highlight.

	For example, certain accounting standards have rules about when such changes can be recognized.	
3.7.1 Claims Data	Claims Data—The actuary should request claims data, if credible and available , regardless of whether the underlying plan is insured or not.	Many fully insured plans will not release claims data depending upon the size of the group.
3.7.7 a. Pooled Health Plans	<p>Pooled Health Plans—If a pooled health plan’s premiums are based solely on the claims experience of the total population of the pooled health plan, and not adjusted for the claims or demographics of the group under consideration, the actuary should develop age-specific costs based upon the total pooled health plan’s demographics (if available) and expected claims costs or premiums rather than based on the group’s own demographics and expected claims costs or premiums. If the premiums are instead adjusted for the claims or demographics of the group under consideration, the actuary should develop age-specific costs based, in part, on the demographics and expected claims costs of the group under consideration.</p> <p>The actuary should base the age-specific costs for the group under consideration on the demographic distribution of all covered health plan members by age as provided by the pooled health plan, if available. If the information is not available from the pooled health plan, then the actuary may make a reasonable assumption regarding the demographic distribution for the pooled health plan to determine the age-specific cost. Alternatively, the actuary may base the age-specific cost on manual rates or other sources relevant to the plan of benefits covering the members of the group under consideration if the group size is not credible.</p>	<p>Many pooled health plans will not give data for the entire plan. While it is addressed in the second paragraph, we feel it should also be addressed here.</p> <p>In addition, manual rates are usually more conservative, so the age specific costs would also be very conservative, which might not be appropriate for the measurement. We would think manual rates would only be used if the group were not credible.</p>
3.7.8 Adjustment for Plan Design Changes	Adjustment for Plan Design Changes—The actuary should adjust the claims costs to reflect any significant differences between the benefit plan designs in effect for each experience period and those in effect during the initial year of the measurement period. The actuary should also reflect the impact of any significant changes in other provisions of the retiree group benefits program (for example, participant contributions). Future changes that are known should be valued to the extent allowed.	<p>Different accounting standards allow different actions in relation to plan design changes that happen after the measurement date. ASC 715 will allow you to recognize plan changes that take effect after the measurement date if the change has been communicated to members. In contrast, GASB 74/75 does not.</p> <p>It isn’t clear from the statement if future changes should be considered. We think the statement needs to be clear in this regard.</p>
3.16 Actuarial Cost Method	When selecting an actuarial cost method to assign periodic costs or actuarially determined contributions to time periods in advance of the time benefit payments are due, the actuary should select an actuarial cost method that meets the following criteria:	For accounting valuations, the actuarial cost method is defined by the accounting standard.

IV. General Recommendations (If Any):

Commentator Recommendation (Identify relevant sections when possible)	Commentator Rationale (Support for the recommendation)
3.17-3.24	Many of these statements apply only to funding valuations, so the statement should state this explicitly. We believe the accounting and funding pieces should be separated to avoid confusion as the accounting rules are prescriptive whereas funding likely needs more guidance.

V. Signature:

Commentator Signature	Date
<i>Mary Kirby</i>	May 15, 2026