



*Survey of US Actuaries*

*Prepared by:  
The Haefer Group, Ltd.*

## ATTACHMENT 10A (PART 1)

### **Introduction**

The Actuarial Standards Board (ASB) engaged The Haefer Group, Ltd. (THG) to develop and subsequently administer the member survey which is the subject of this report. The survey sought input from actuaries practicing in the United States, who are members of the organizations that are subject to Actuarial Standards of Practice (ASOPs). The survey goals were threefold:

- Gauge the effectiveness of the ASB's communication with members,
- Determine if the ASB's process of developing and reviewing ASOPs is meeting the needs of the profession, and
- Gain insight into how the ASB is viewed with the profession.

### **Questionnaire Design**

To meet the survey's goals an e-mail survey was designed. In addition to questions relating to the goals, questions were also asked regarding demographic and employment attributes. The breakdown of questions was<sup>1</sup>:

<b>Area</b>	<b>Number of Questions</b>
ASB Communication	10
ASOP Process	14
Value of ASOPs and ASB	13
Demographic/Employment	5

The questionnaire contains twenty-nine questions relating to the four areas noted above. Ten questions addressed content, fourteen addressed process, thirteen addressed value and ten addressed communication. Some of these questions addressed multiple areas. Another five questions related to responding member characteristics for a total of thirty-four questions.

### **Methodology**

The Haefer Group was provided electronic mail contact information for 19,055 US actuaries. The first e-mail invitation was mailed on April 30, 2009. A total of 18,774 invitations were mailed; with 278 having opted out of the software previously, and 3 invalid addresses. Undeliverable notifications from this e-mail invitation numbered 307 or 1.63%. As a result, the total of US actuaries able to respond to the electronic survey was 18,467. While initial response was high, a second reminder was sent to those who had not yet responded on May 18, 2009.

A printed invitation and survey was also sent via US mail to 1,214 actuaries on May 8, 2009 whose e-mail address was not available or did not desire to be contacted by electronic mail.

The e-mail survey link was available until May 22, 2009, while the survey sent via US mail remained open until May 29, 2009 to accommodate the drop date and mail time.

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<sup>1</sup> Some questions addressed multiple areas of interest.

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Electronic and paper survey responses were collected by THG. An independent analysis of the collected data was then made by THG.

### **Response**

A total of 4,620 responses were received by e-mail, for an outstanding response of 25.01%. Of the 4,620, 4,400 fully completed the survey. This response and completion rate insures a full level of confidence in the findings when the analysis is completed.

An additional 25 individuals responded by mail, for a response of 2.05%. Of these 25, 23 fully completed the survey. The results from the paper responses are not large enough to be analyzed as a separate group but are included in the overall survey results and analysis. In addition, seven mail surveys were returned by retired members who did not feel they could or should complete the survey.

### **Analysis**

All responses for each of the questions are reported in total and in the aggregate. Further analysis for each question was made based on the three variables of member respondent age, primary area of practice/interest, and whether or not the respondent had submitted comments on an ASOP exposure draft. If in the analysis of these three variables a significant variation was observed, it is noted in the report. THG employed a multifaceted model to identify variances. The facets were:

- 5% deviation within the dominant member segment from its over all response for each question
- Differing dominant member segment responses with the question, and
- Bold outliers (example the 'other' actuarial area of practice/interest)

The number of respondents under age 40 totaled 1405. As one might expect, the most striking difference regarding this segment relates to means of communication. However, THG's analysis of this data indicates that in many instances (but not all) attitudes of the under 40 group are similar to the over 70 age group in terms of engagement and the view of the profession. Very seldom are the differences between the 40-69 groups. These responses are a reflection of generational change and require consideration in process review and development by ASB.

THG also uses the terms 'top-two box' score and 'bottom-two box' score in this report. These scores are the total of the 'strongly agree' and 'agree' responses or the 'disagree' and 'strongly disagree' responses. They are used to illustrative a truer level of satisfaction or dissatisfaction.

**EXECUTIVE SUMMARY, OBSERVATIONS AND RECOMMENDATIONS**

**ASB Effectiveness of Communication**

Nearly 30% of responding members report *Actuarial Update* as an important source of information about the ASB followed by about 25% indicating the importance of e-mail as a resource. As one would expect, younger age groups (under 40) rely much more on electronic means for information. As for learning about the content of exposure drafts, reading them is most important means to understand them. Members under age 40 make note of meetings both within and outside their firm as a resource for information. There is a significant level of neutrality about ASOPs being clearly written and unambiguous. This neutrality is more apparent with those under the age of 40. Nevertheless, all member segments claim they generally understand why an ASOP says what it says. 84% of responding members report that the ASB website is the convenient way to access a released ASOP. The ASB has provided the means for effective communication with its members; however, clarity of writing appears to warrant attention.

**ASB Process of Developing and Reviewing ASOPs**

The ASB process of developing and reviewing ASOPs had a mixed set of responses from members responding to the survey. Overall, 51% of members agree that exposure draft comments periods are adequate. Yet 37% express a neutral point of view with those members under 40 having an even greater neutral response. At the same time, those members submitting comments had a higher agree response of 63.2%. It would appear that 'users' are more satisfied with the process.

A similar mixed response emerges with the question of appropriate ASB responses to comments on exposure drafts, making changes and explaining why changes are not made. 46% of respondents agree with the statement with 42% expressing neither agree nor disagree. Over 50% of those under 40 responded neither agree nor disagree. Those members who submitted comments exceeded the overall agree response by 8%. Younger members are clearly less familiar with the process of developing and commenting on ASOPs and could be an opportunity to educate them by the ASB.

Age also appears to influence responses regarding whether or not non-actuaries should be permitted to serve on operating committees as well as responses regarding whether or not the ASB should operate independently of the other US actuarial organizations. In the case of non-actuaries being permitted to serve on operating committees, younger actuaries are more likely to 'agree' or be neutral on the statement. The number of 'disagree' and 'strongly disagree' percentages increase with the age segments of 50-59 (42.3%) and 60-69 (41.0%)

In examining the need for independent operation, younger actuaries appear to be less concerned about independence. The 60-69 age band behaves differently than all other age with an agree percentage of 33.2% -- the most interested segment in maintaining independence.

Other parts of the ASB process of developing and reviewing ASOPs reflect greater agreement. 56% agree that it is appropriate that non-actuaries submit comments. 65% of respondents agree that ASB should examine appropriate concepts of other disciplines like accounting or financial economics. Lastly, 73% expectantly responded that ASB sometimes should hold public hearings on proposed ASOPs.

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**Profession’s View of ASB and ASOPs**

Responding member’s professional view of the ASB and ASOPs reflects some clear areas of agreement and also some areas with varied opinion. Those areas with varied opinion are influenced by age as we have seen in the responses related to communication and process. Those under forty have a different view than those over forty. Also the “other” (area of practice/interest) member segment (nearly 5% of those answering questions) tends to have a neither agree nor disagree attitude.

The vast majority of those responding to this survey agree that ASOPs promote quality actuarial work and nearly 85% value the work of the ASB. Overall, members generally agree that the ASB has a rigorous protocol for the adoption of ASOPs. Although for members under 40 and those 70+ are more likely to offer a neutral opinion. This may reflect an opportunity for education for the under age 40 group. These findings may also reflect a lesser amount of engagement with the organization, the ASB or the process.

THG examined the top-two box scores of the bank of questions relating to the view of ASOPs.

<b>Category</b>	<b>Statement</b>	<b>Top-Two Box Score</b>
General View of ASOPs	ASOPs promote quality actuarial work.	86%
	Existing ASOPs consider the public interest.	79%
	ASOPs should consider the public interest.	67%
	Following ASOPs precludes poor practice.	29%
View of ASOPs/Content	ASOPs should be more prescriptive in providing guidance.	32%
	ASOPs reflect the right balance of prescriptive rules and allowance for actuarial judgment.	61%
Personal View of ASOPs	ASOPs help me improve my actuarial practice.	70%
	I am knowledgeable regarding the content and resulting guidance of ASOPs affecting my area of practice/interest.	67%
	It is part of my professional responsibilities to comment on exposure drafts relevant to my area of practice/interest.	44%
	I am knowledgeable regarding the ASB process for developing and amending ASOPs	34%

Members generally agree that ASB has a rigorous protocol for the adoption of ASOPs. Although for members under 40 and those 70+ they neither agree nor disagree. Given the response to their knowledge about developing and amending process, these responses may be reflective of their experience and/or level of engagement. There is a very low top-two box score in examining respondents’ personal knowledge about the process for developing and amending ASOPs.

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From examining these scores, THG's observation is that ASOPs are a valued tool, to augment professional development. Respondents seem to be satisfied with the level of prescriptive rules versus allowance for actuarial judgment. Where we do see opportunity to improve is in the direction that commenting on exposure drafts adds to the body of knowledge for the profession, in general.

### **Characteristics of Member Respondents**

Less than five percent of members responding say they have served on the ASB or its committees. In addition, less than thirteen percent say they have ever submitted comments on any ASOP exposure draft. Given that the ASB exists to establish and improve standards of actuarial practice, it would appear to THG that a greater participation of actuaries and other interested parties submitting comments on an ASOP exposure draft would be desirable. The most important for reasons for those not submitting comments is that they generally agreed with the exposure draft (38%) and saw no need to comment or left it up to others (29%) at their firm to comment. Those members who submit comments demonstrate a higher level of agreement with the ASB process of developing and reviewing ASOPs – again speaking to a high degree of 'user' satisfaction. Age also seems to influence the submission of comments with the 40-49 and 50-59 segments being the most active. Actuaries in the "life" area of practice/interest are the most likely to have submitted comments. At the same time as age increases, the number of respondents indicating that their comments would not make a difference increases. If the ASB desires greater comment input and can manage that input, the survey provides adequate guidance for a communication plan to achieve that affect.

Eighty eight percent of the members responding to this survey report full time employment with 56% being employed by an insurance organization followed by large consulting firms (30%). Their primary areas of practice/ interest are well distributed with those in the 50-59 age and 60-69 age groups having the largest representation within the pension area. No respondent skipped the question what is your age. In our experience this is a rarity and most likely reflects the actuarial mind at work. While 66% report more than 10 years in actuarial organizations subject to ASOPs, there is a remarkable near normal distribution of age. Those under the age of 40 often respond differently than those over forty. Interestingly 70+ often tracks with the under 40 responses. This difference is quite apparent in the survey results and should be taken into consideration in ASB communications, its processes and member view

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### **Recommendations**

1. The ASB has the means for effective communication with its members. THG recommends that the organization continue to exploit the use of its technology in this regard, since younger members indicate reliance on electronic means to get/receive information.
2. Before eliminating/changing communication mechanisms, the ASB should consider the impact/needs of each age group and how that age group is represented in the total actuarial profession.
3. Since clarity of writing appears to warrant attention, THG recommends that greater ASB editorial control, style and crisp sentence construction be applied to the ASOP content.
4. The ASB process for developing and reviewing ASOPs has a mixed set of responses. We find the evidence of neutrality to be troublesome. THG recommends that future comment periods be reviewed for timing and tailored to the particular ASOP's complexity and length as well as the seasonality of actuarial workloads. Such a review should be coupled with a commitment to more comprehensive explanation of the ASB disposition of comments being offered.
5. Improvement is needed in member's knowledge of the ASB process for developing and amending ASOPs. THG recommends that the ASB develop a communication strategy to inform members on the ASB process for developing and amending ASOPs. This strategy needs to be multifaceted and be ongoing across the organization's platform of communication tools.
6. THG recommends that the ASB consider the importance of receiving a greater number of comments in the process of developing and reviewing ASOPs. If that importance is affirmed, then the ASB resource allocation process must allow for greater volume processing and a communications plan executed to achieve that affect.

**DETAILED FINDINGS**

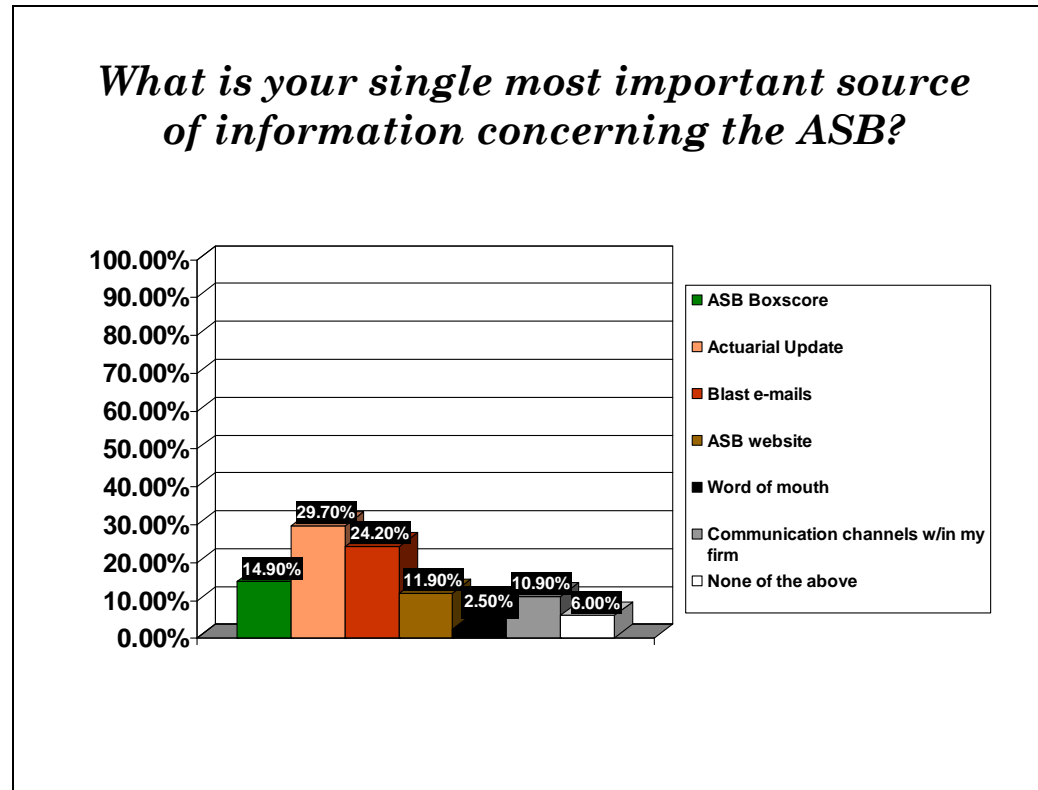


*Effectiveness of ASB's Communication*

**EFFECTIVENESS OF COMMUNICATION**

**QUESTIONS/STATEMENTS RELATING TO THE EFFECTIVENESS OF COMMUNICATION**

- What is your single most important source of information concerning the ASB?
- What is your single most important resource to learn the content of an ASOP exposure draft?
- What is your single most important resource to learn when an ASOP exposure draft is issued and open for comment?
- ASOPs are clearly written and unambiguous.
- I generally understand why an ASOP says what it says.
- The ability to obtain the recently released ASOP from the ASB website is a convenient way for me to access it.



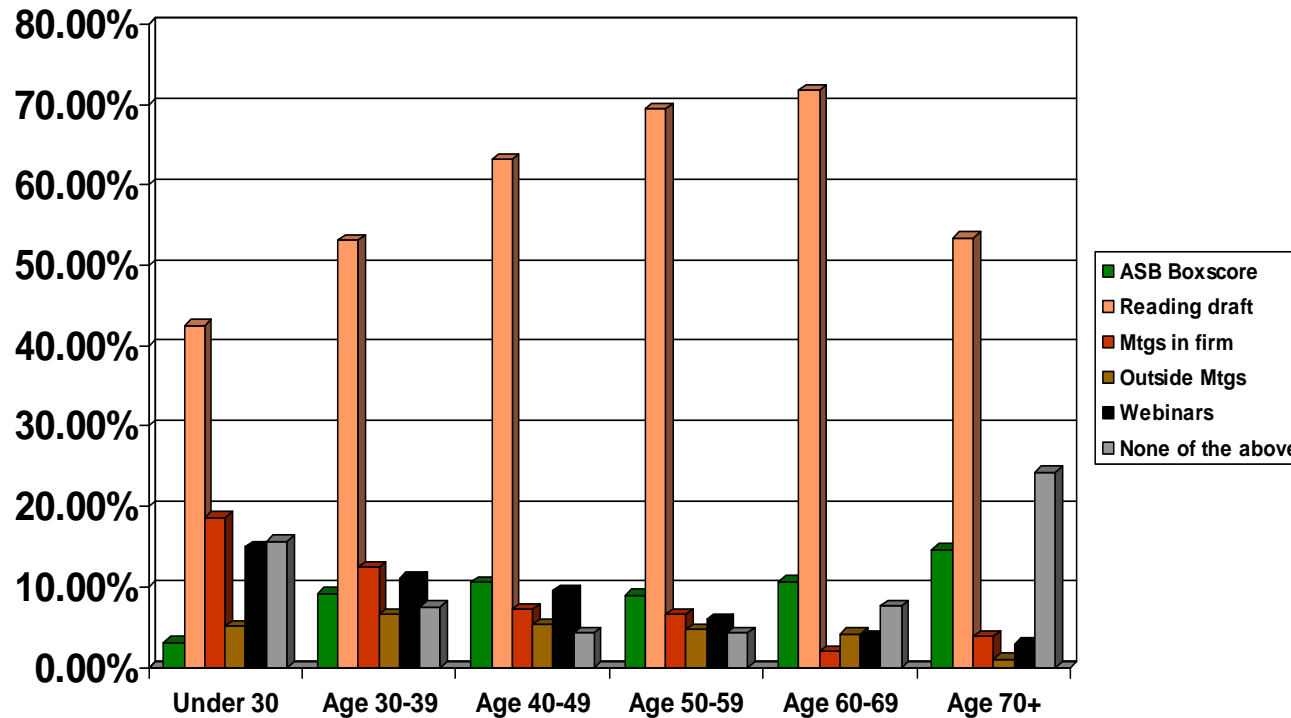
***Source of Information Regarding the ASB***

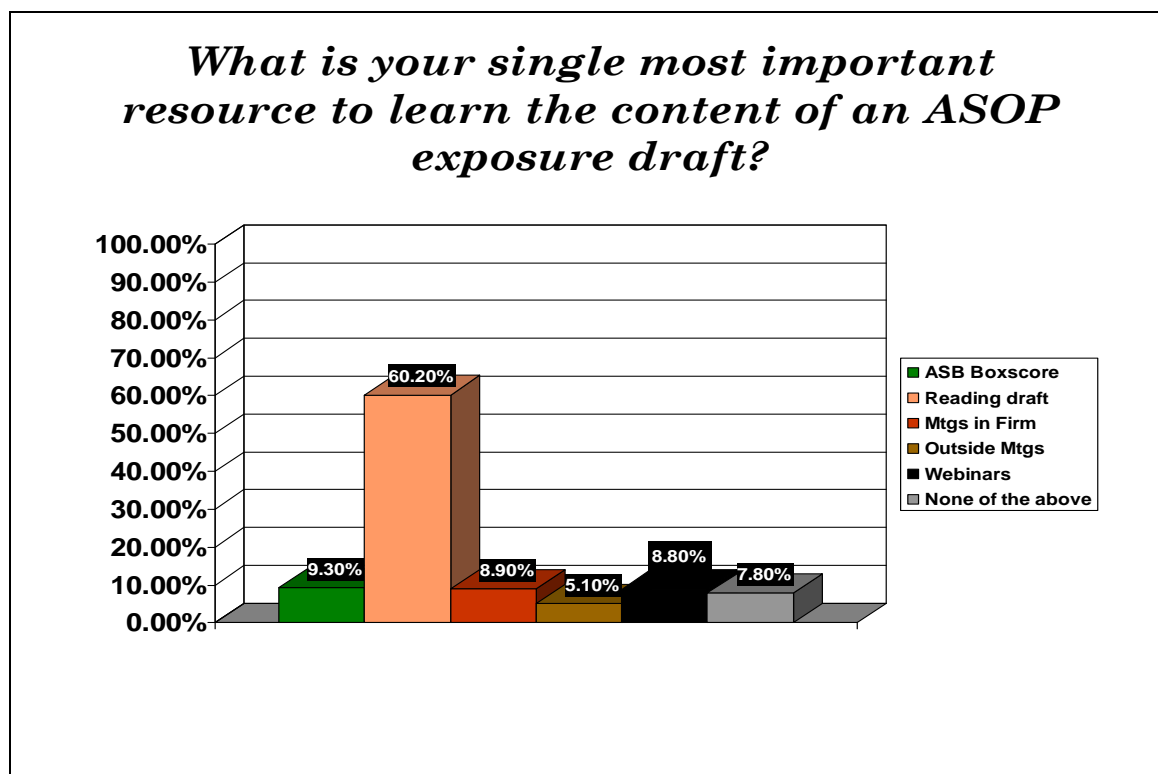
In looking at overall response, *Actuarial Update* was the most often mentioned source of information concerning the ASB (28.7%). Blast e-mails were the next most often mentioned (24.2%), followed by the *ASB Box Score* (14.9%). The ASB web site was mentioned 11.9% of the time.

*Actuarial Update* was most often mentioned by those 40-49 (31.4%), 50-59 (34.5%), 60-69 (34.9%) and 40.4% for the 70+ population. Younger respondents relied on blast e-mails from the ASB. Respondents age 30 scored blast e-mails as their most common source of information (31.4%) while respondents, 30-39 scored blast e-mails at 31.0%.

There were no significant differences in examining data by area of practice/interest, nor was there any significant difference between those who had/had not submitted comments on an ASOP. *Actuarial Update* was consistently mentioned as the single most important source of information concerning the ASB, in both those segments.

## *What is your single most important resource to learn the content of an ASOP exposure draft?*





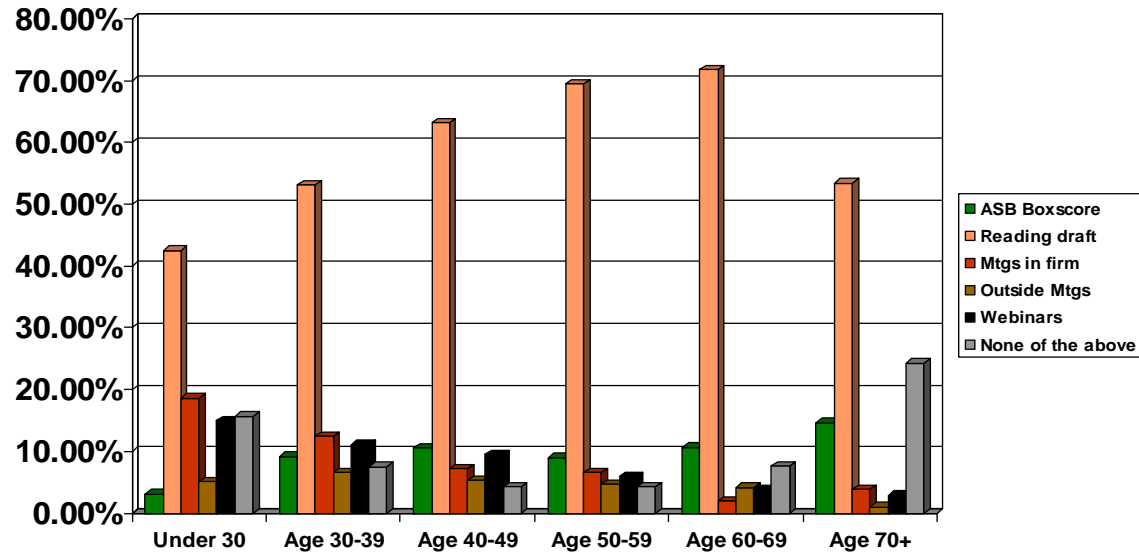
***Resource to Learn Content of ASOP Exposure Draft***

Reading the ASOP exposure draft received the highest response percentage (60.2%) of listed resources in learning about draft content. Of all other resources listed, each received less than a 10% response rate, when examining overall responses.

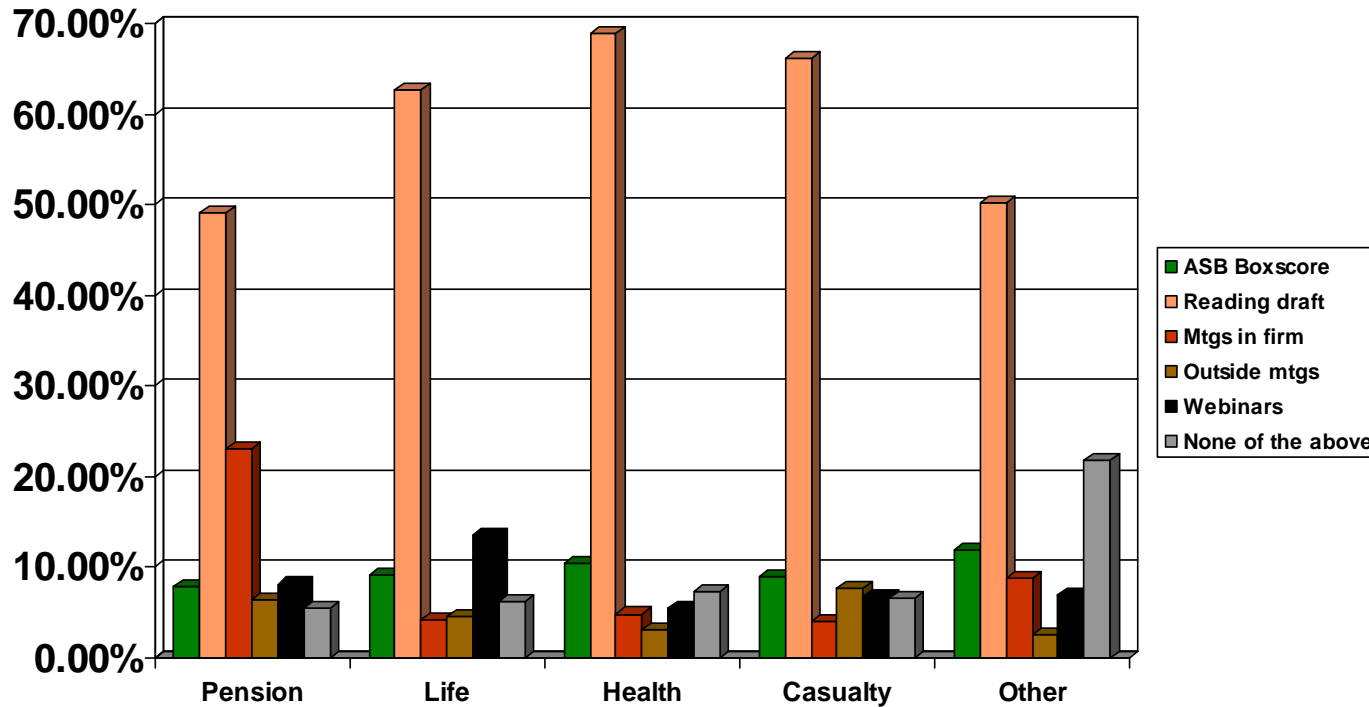
While all age bands cited reading the exposure draft as the most important way to learn content, those under thirty and 30-39 were lower than the overall response at 42.4% and 53.1% respectively. Material or internal meetings within their firm were important for respondents, under thirty and those 30-39, with responses of at 18.6% and 12.4% respectively. Those same age bands responded at 15.0% and 11.1% citing attendance at seminars/sessions at actuarial meetings outside their firm.

While reading the exposure drafts is the dominant response for all groups, pension actuaries are more likely to cite have meetings within their firm. Those who submitted comments were most likely to have read the draft; and exceeded the response of 'reading the draft' by 23% for a response of 83.2%.

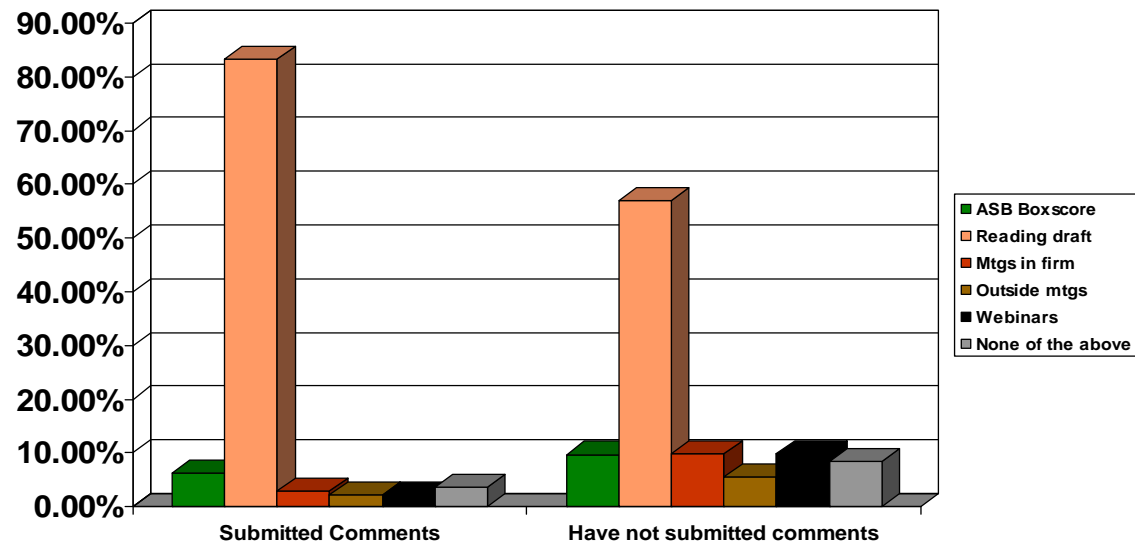
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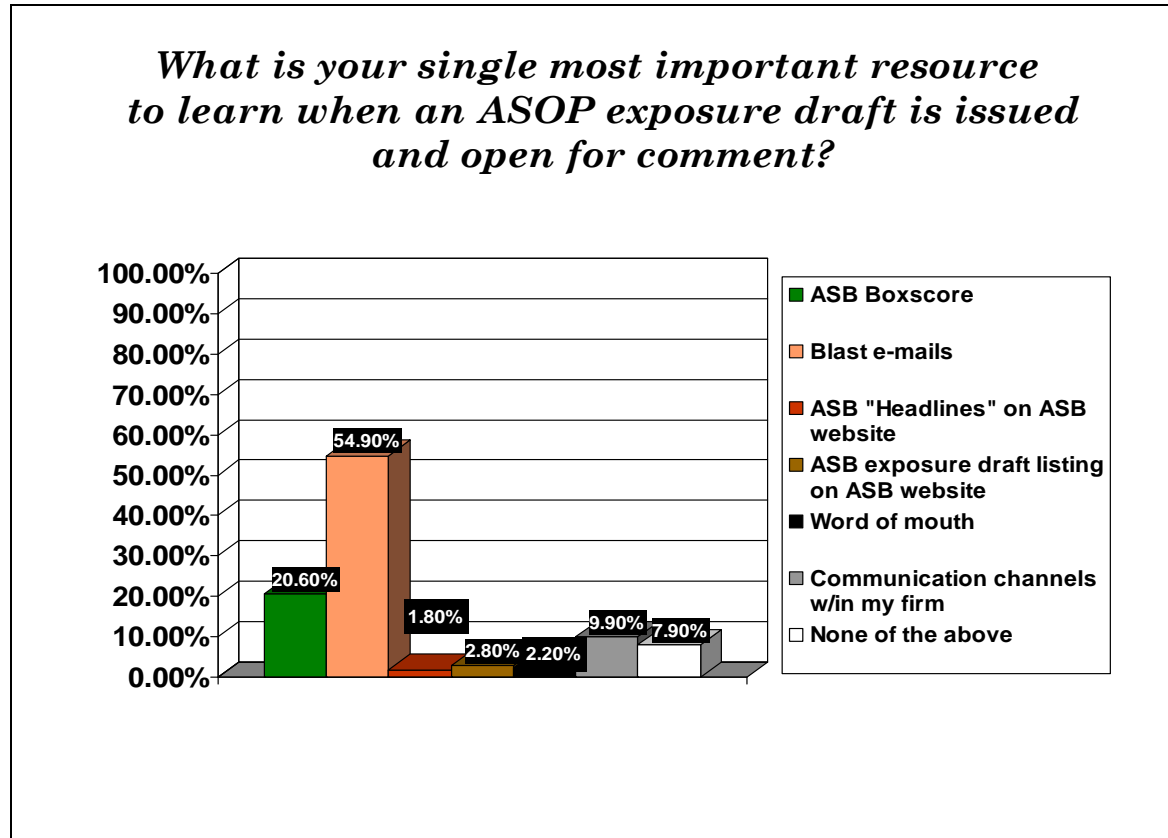


## *What is your single most important resource to learn the content of an ASOP exposure draft?*



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**Resource to Learn when an ASOP Exposure Draft is Issued**

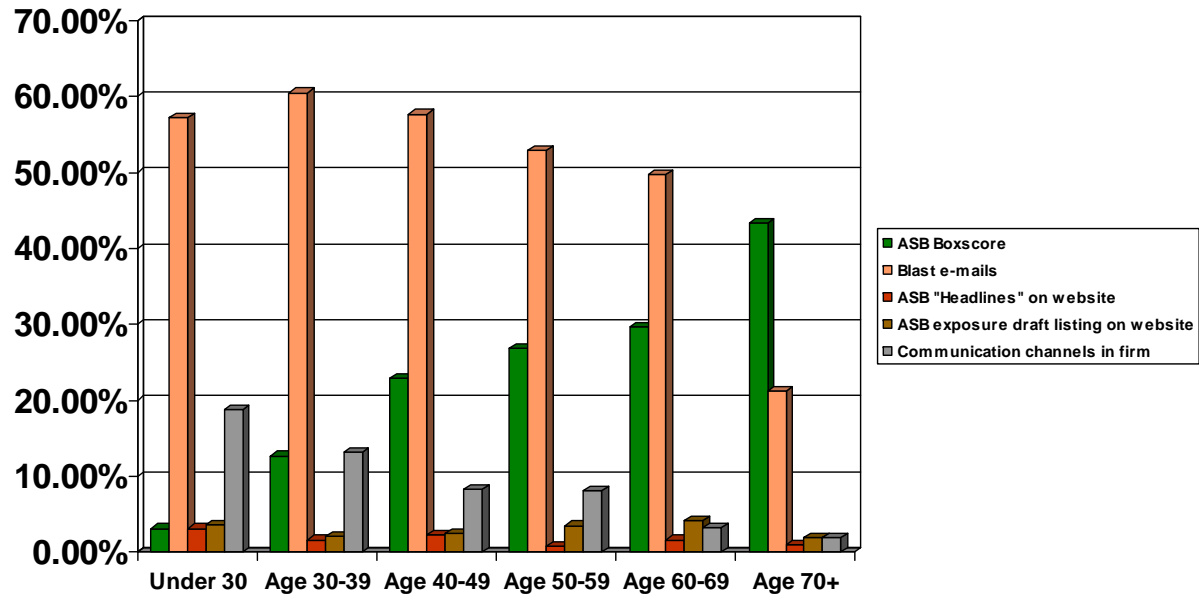
Overall, blast e-mails were cited as the most important resource to learn when an exposure draft is issued. (54.9%), followed by the ASB Box Score (20.6%). All other resources were cited at a level under 10%

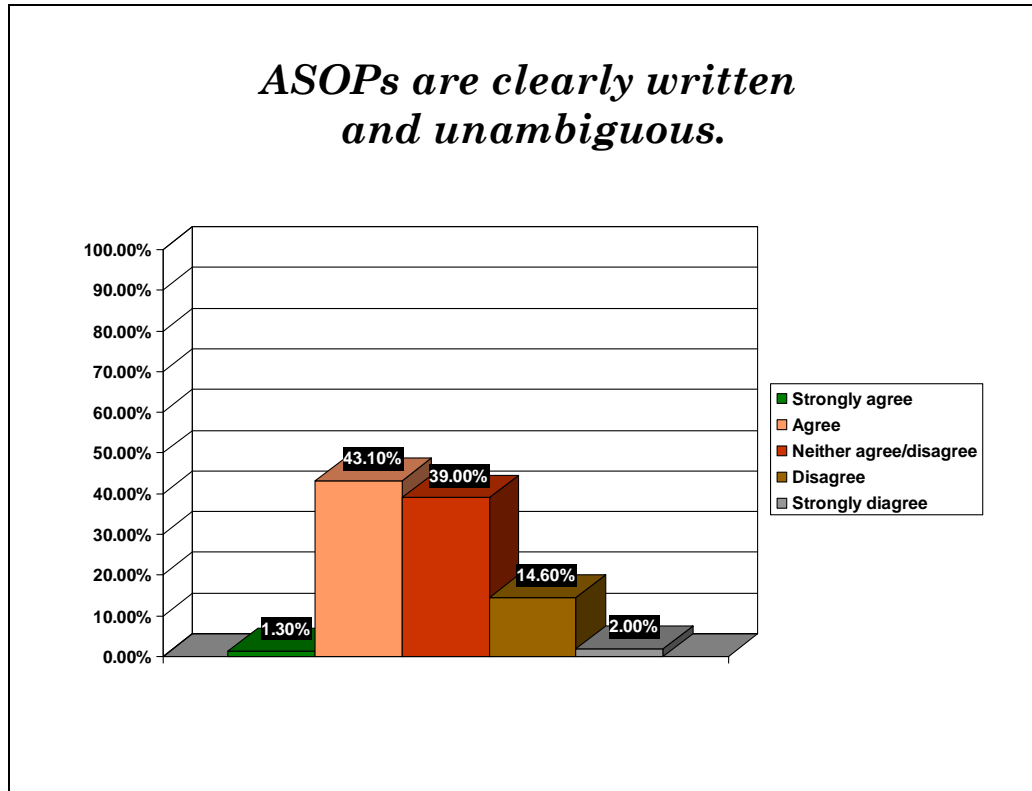
All respondents with the exception of the 70+ age group indicated that blast e-mails were the most important resource. For the 70+ group, the ASB Box Score was the most important resource (43.3%).

There were no significant differences in examining data by area of practice/interest, nor was there any significant difference between those who had/had not submitted comments on an ASOP.



*What is your single most important resource to learn when an ASOP exposure draft is issued and open for comment?*





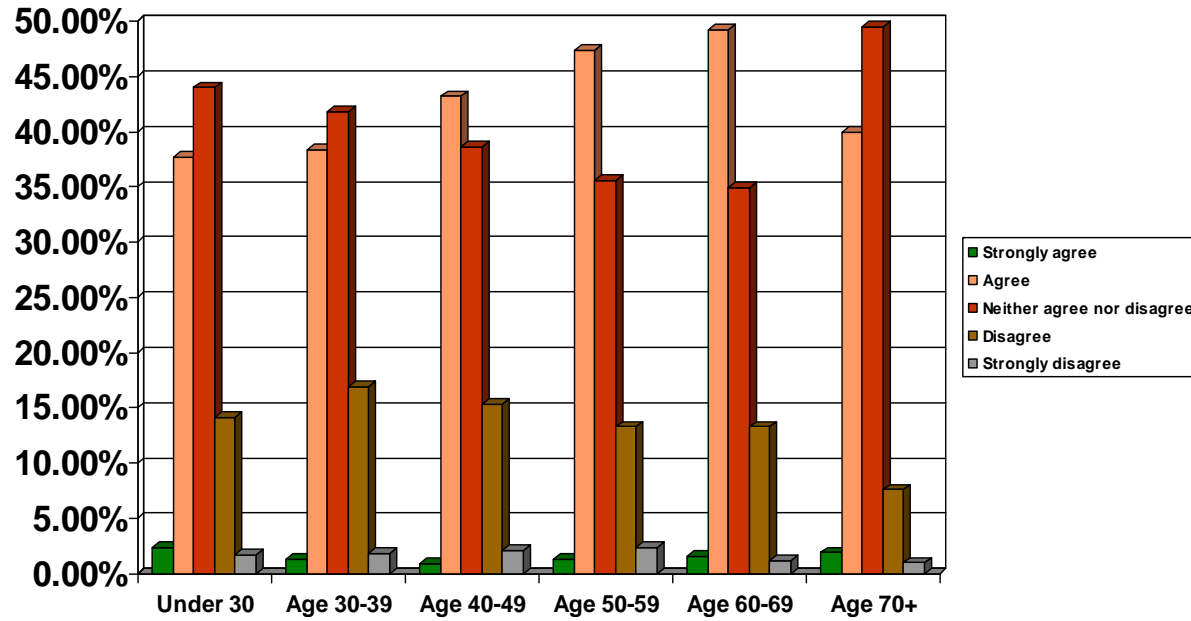
***ASOPs are clearly Written and Unambiguous.***

Overall, 43.1% of respondents agree that ASOPs are clearly written and unambiguous. Neutral responses (neither agree/disagree) to the statement were 39.0%

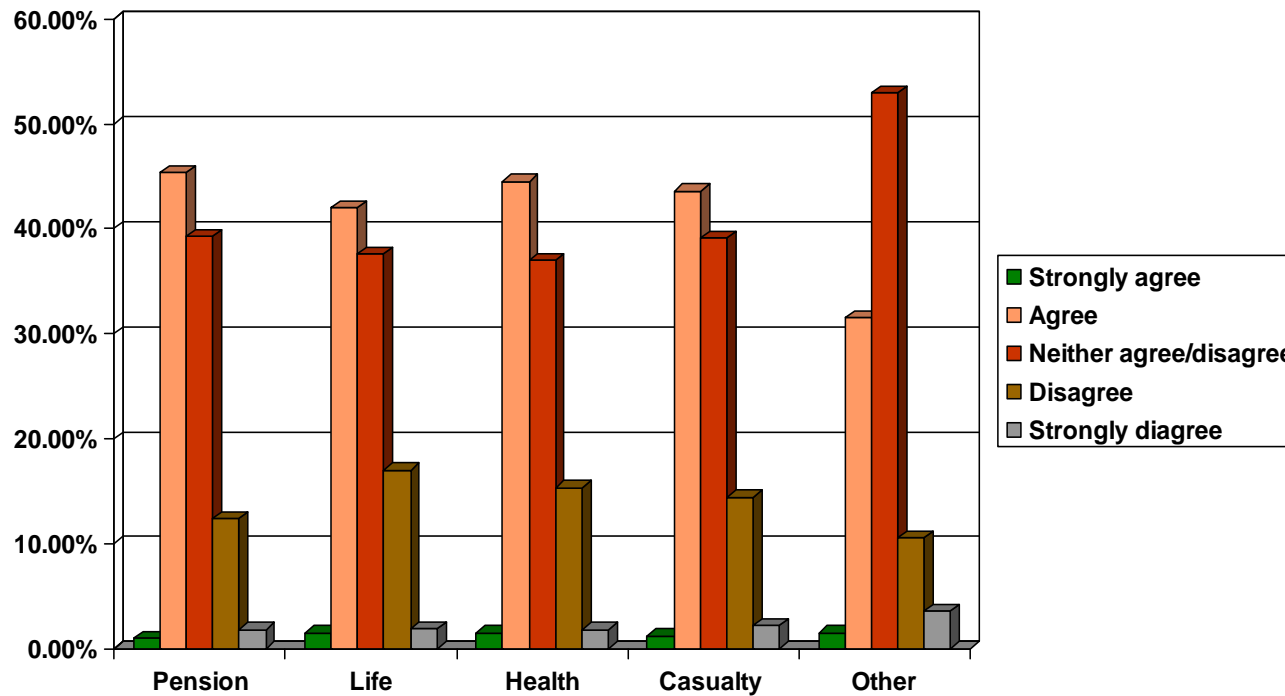
A higher level of neutral responses occurred in the under age 30 (44.0%) and 30-39 age groups (41.8%). This also occurred in the age 70+ group (49.5%). The dominant finding in the age group, 40-69 was 'agree'.

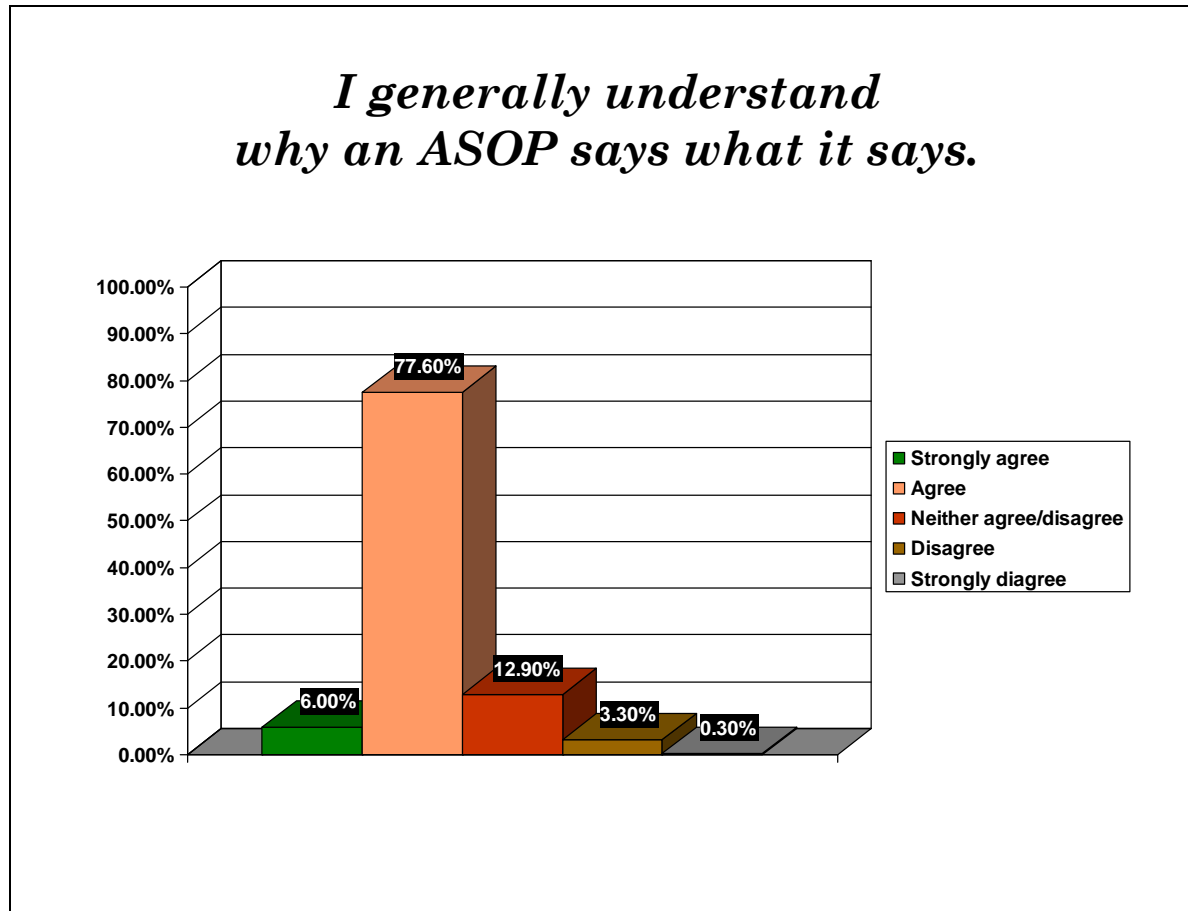
A difference of opinion also occurred in the area of practice/interest segment. The 'other' category offered the neutral opinion 53% of the time. There was no significant difference in response between those who had/had not submitted comments on an ASOP.

*ASOPS are clearly written  
and unambiguous.*



## *ASOPs are clearly written and unambiguous.*



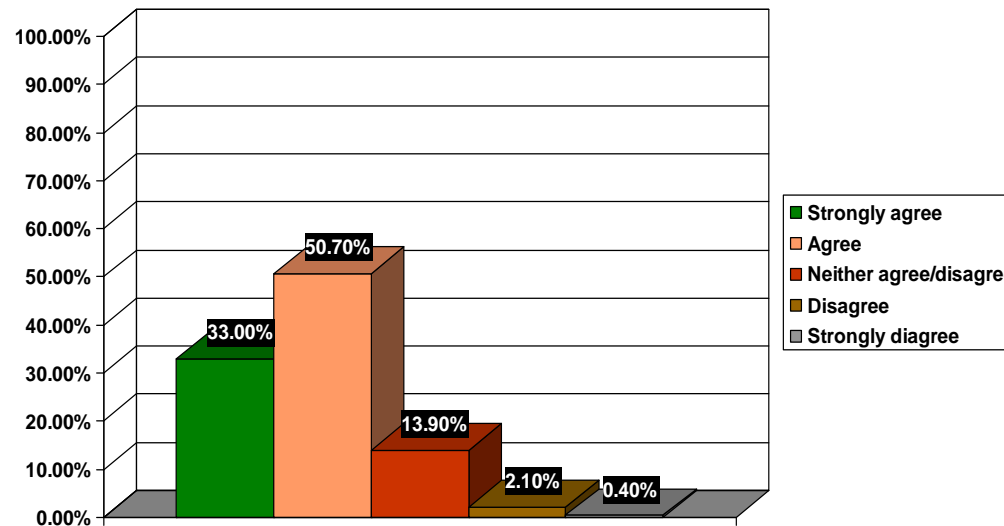


***Understanding why an ASOP says what it does***

There is an overwhelming level of agreement with this statement (77.6%).

There were no significant differences in examining the data by any of the three variables – age, area of practice/interest or comment submission.

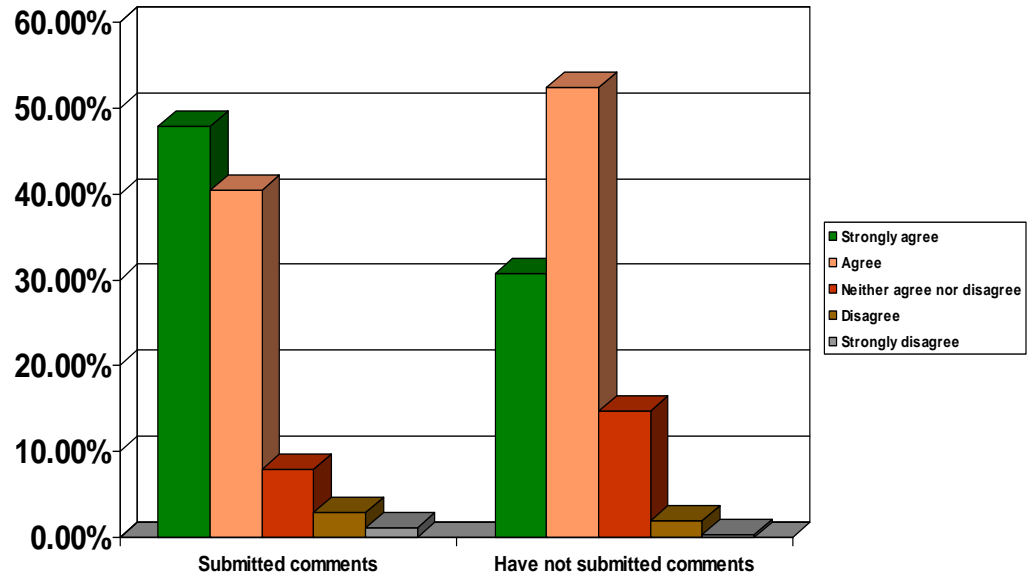
*The ability to obtain a recently released ASOP from the ASB website is a convenient way for me to access it.*



***The Ability to Obtain a Recently Released ASOP from the ASB Website is a Convenient Way for Me to Access It.***

The top-two box score for this question was 83.7%. The bottom two-box scores was less than 3%, with neutral being 13.9%. The age band member segment response was not significantly different from the overall response. For those respondents in the primary area of practice of "other", the agree percentage was 39.1%, compared to a 50.7% overall having agreed. For those submitting comments, 'strongly agree' was 46.7%, compared to 33.0% with 'strongly agree' overall. For those not submitting comments, 'strongly agree' was 30.8% and 'agree' was 52.4%.

*The ability to obtain a recently released ASOP from the ASB website is a convenient way for me to access it.*



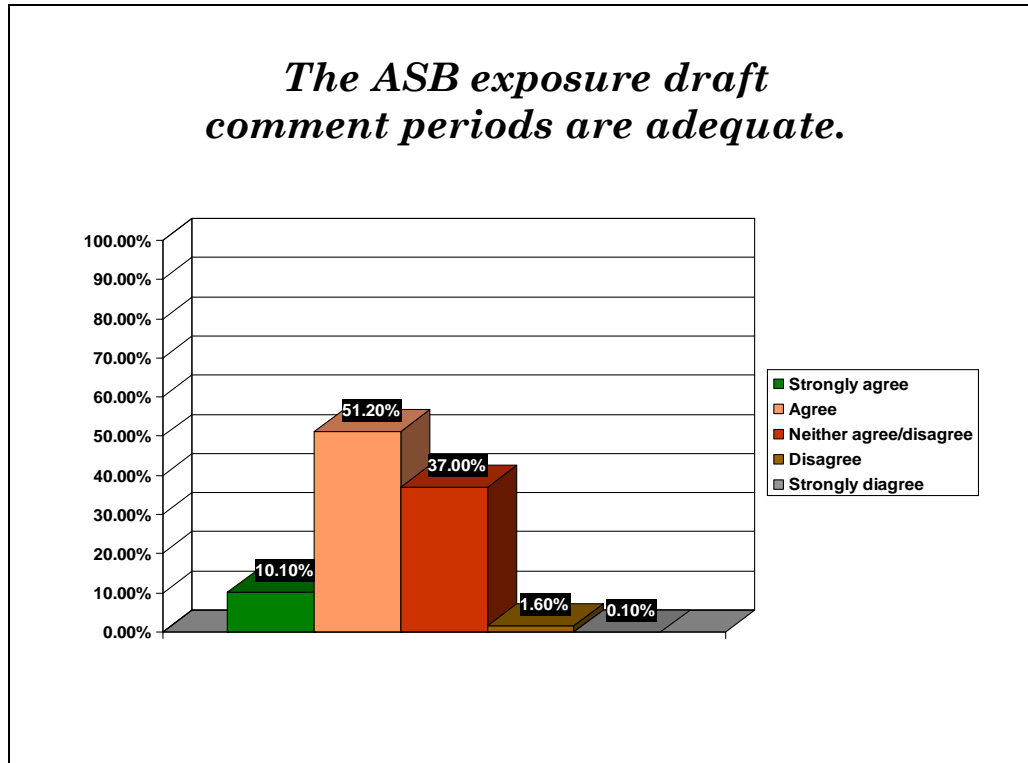
*ASB Process of Developing and Reviewing  
ASOPs*

**ASB PROCESS OF DEVELOPING AND REVIEWING ASOPs**

**QUESTIONS/STATEMENTS RELATING TO ASB'S PROCESS OF DEVELOPING AND REVIEWING ASOPs**

- The ASB exposure draft comment periods are adequate.
- The ASB responds appropriately to the comments it receives on exposure drafts by making changes or explaining why changes are not made.
- It is appropriate that non-actuaries are allowed to submit comments for consideration by the ASB.
- Non-actuaries should be permitted to serve as members of ASB operating committees.
- The ASB should examine appropriate concepts of other disciplines like accounting or financial economics as it develops ASOPs.
- The government should have oversight of the ASB's authority to develop, obtain comment upon, review and adopt standards of practice.
- The ASB should operate independently of the five US actuarial organizations in establishing standards.
- The ASB should hold public hearings on a proposed ASOP.





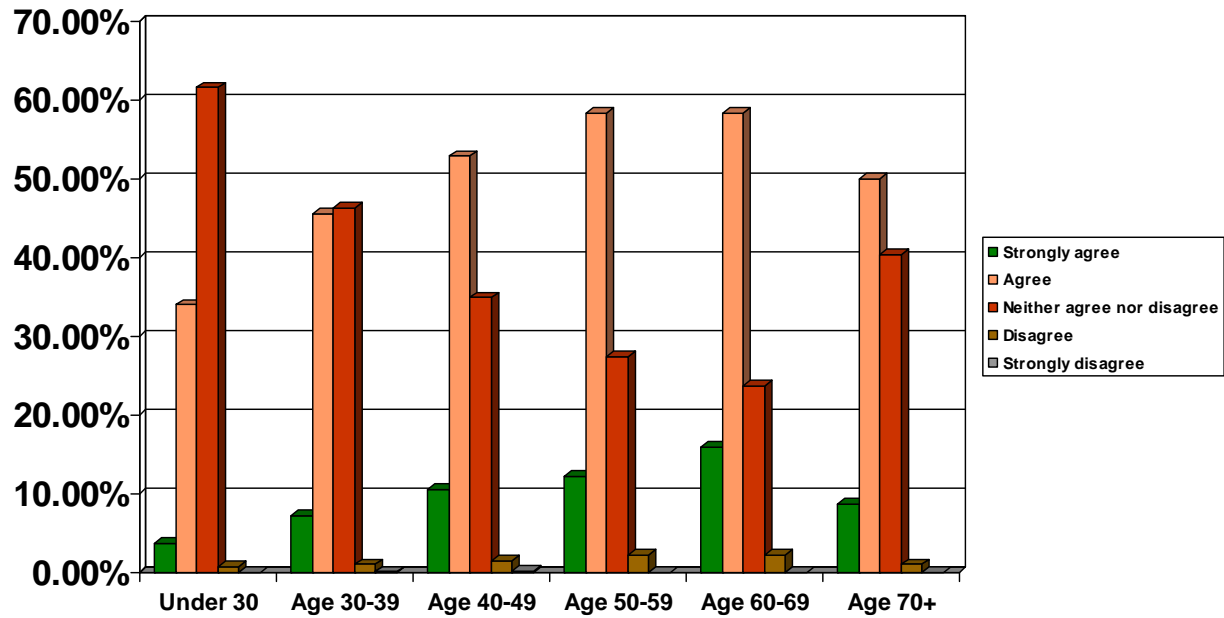
***Adequacy of Comment Periods***

The dominant overall response was ‘agree’ (51.2%). Neutral responses were 37%.

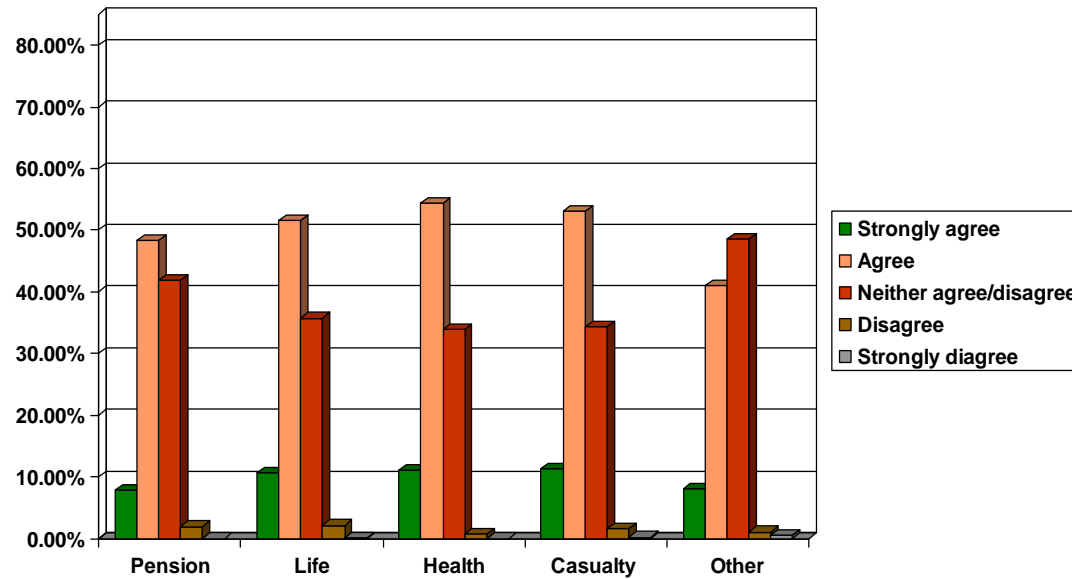
A difference of opinion occurred when examining data by age band. The under group 30 group were more likely to give a ‘neutral’ response (61.6%), while the 30-39 group provided a ‘neutral’ response 46.3% of the time. All other age bands were more likely to ‘agree’.

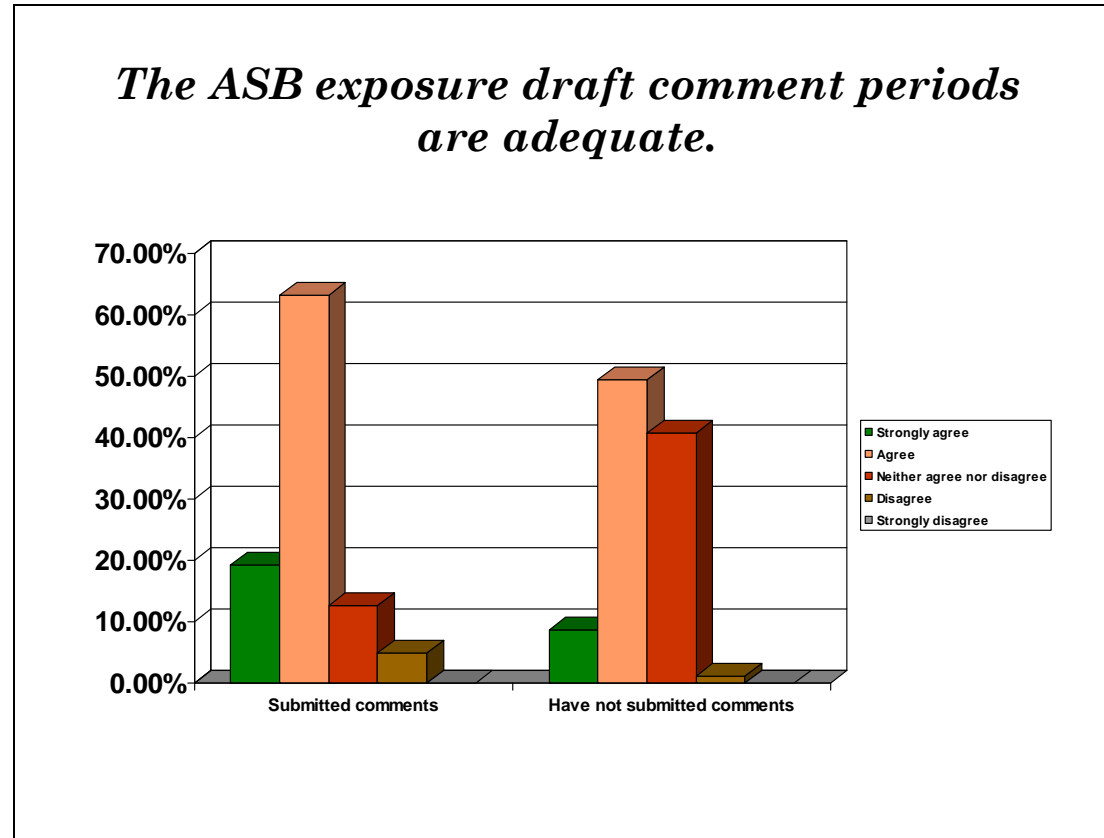
There were no significant differences by areas of practice/interest. Those who had submitted comments are more likely to have ‘agreed’ (63.2%), than those who had not submitted comments (49.5%).

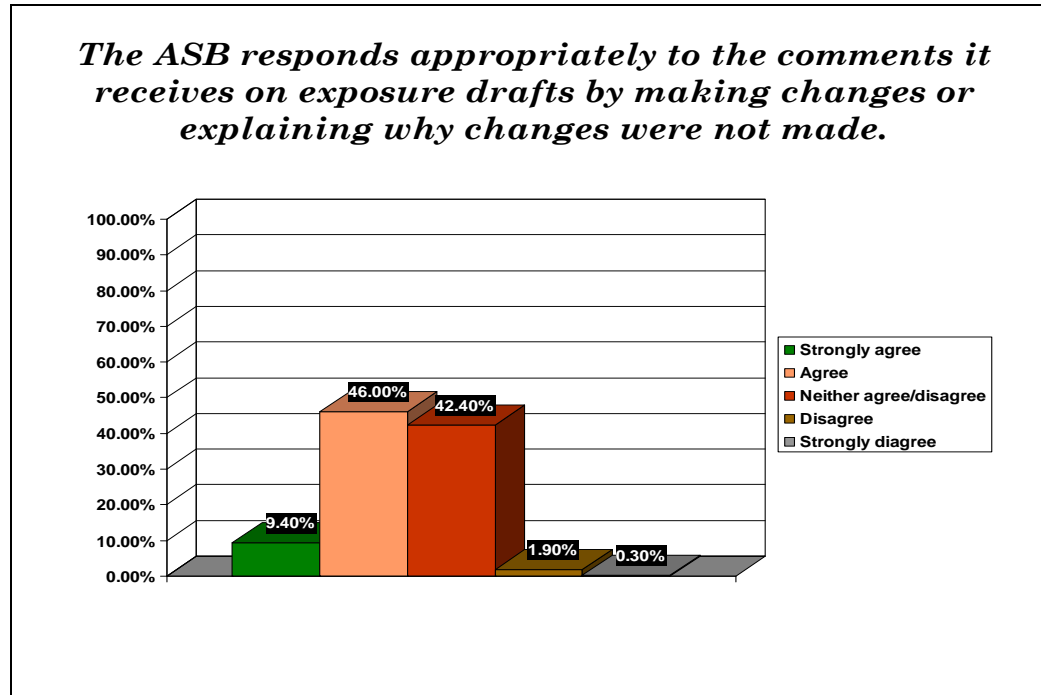
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**ASB’s Responsiveness to Comments**

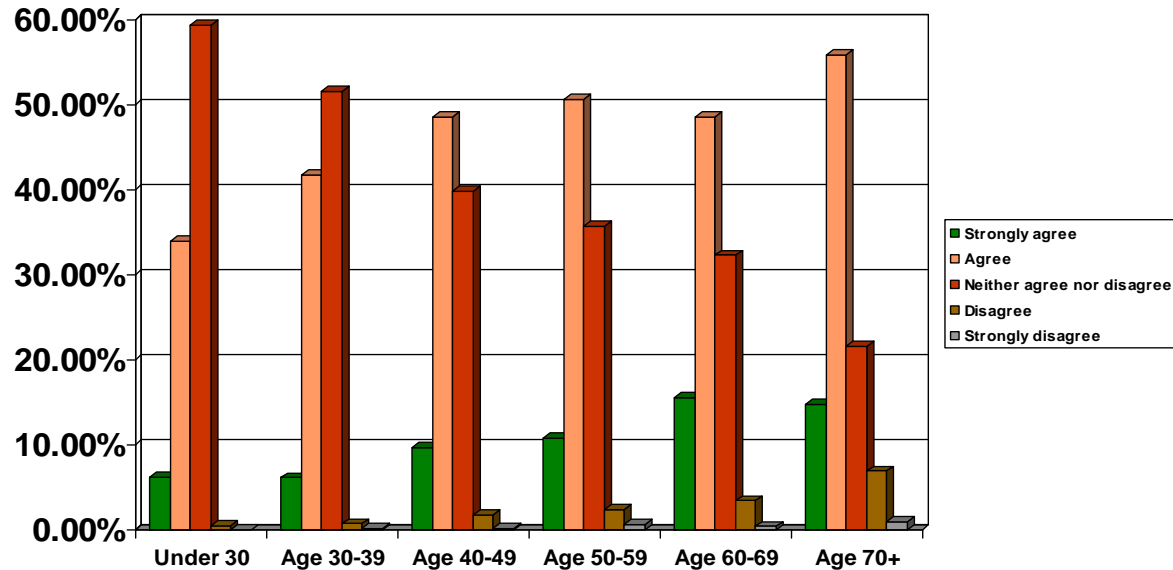
The dominant response overall was ‘agree’ (46.0%) while the neutral response was 42.4%.

Again, there was a difference between ‘younger members’ – 59.4% of the under age 30 respondents offered a ‘neutral’ response. In examining respondents, 30-39, the neutral response was 51.6%. All other age bands were more likely to ‘agree’.

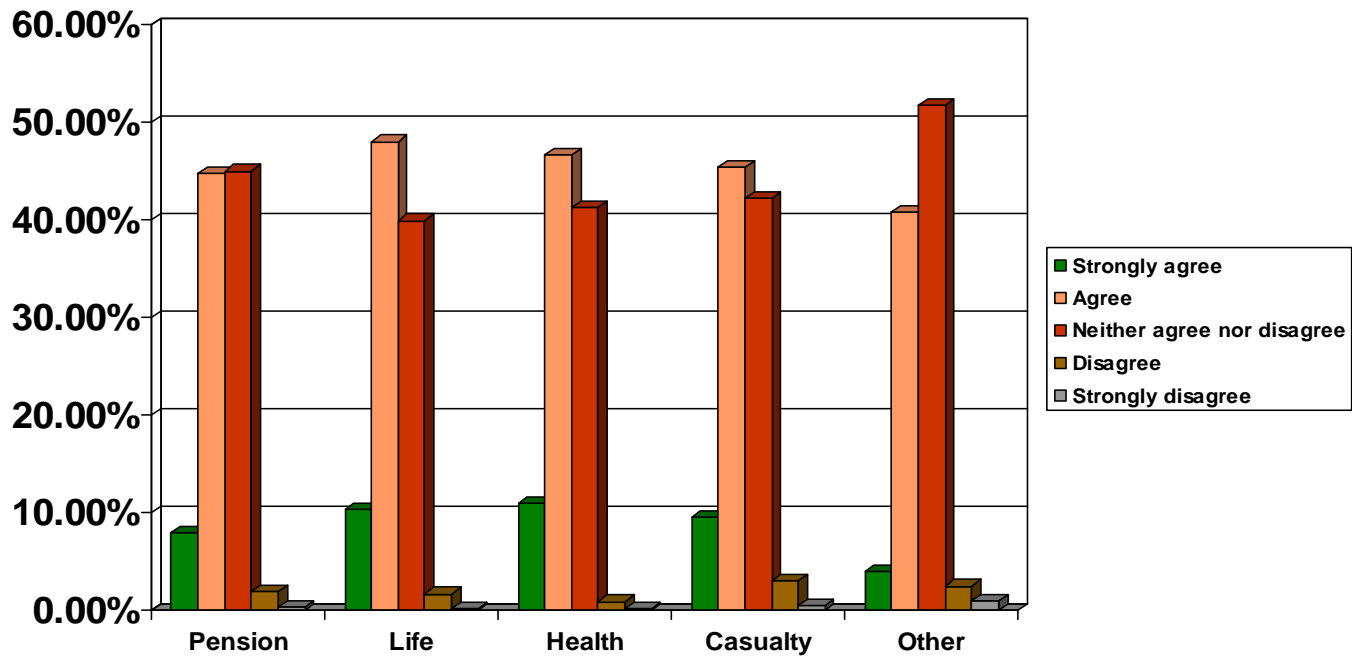
There were a significant difference in the responses of the pension area of practice/interest and the ‘other’ area of practice/interest. Pension actuaries offered a neutral response 45% of the time; and the ‘other’ area of practice was neutral 51.7% of the time.

In examining differences between those who had/had not submitted comments, respondents who had submitted comments agreed with the statement 54.4% of the time. Respondents who had not submitted comments were more likely to be neutral – with 45.8% offering a ‘neutral’ response.

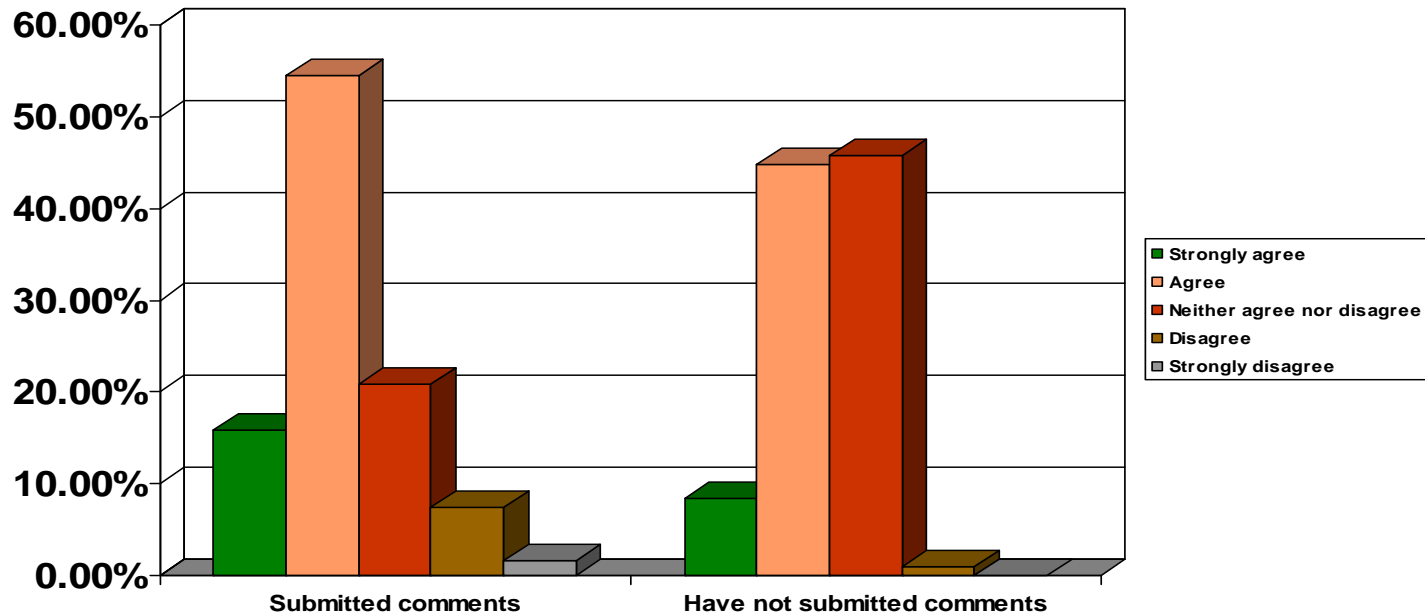
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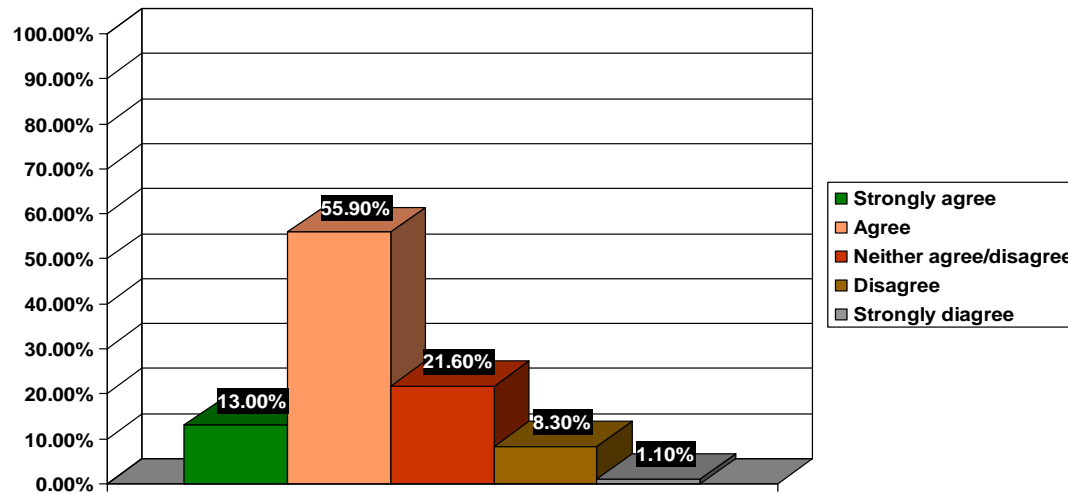


*The ASB responds appropriately to the comments it receives on exposure drafts by making changes or explaining why changes were not made.*





*It is appropriate that non-actuaries are allowed to submit comments for consideration by the ASB.*

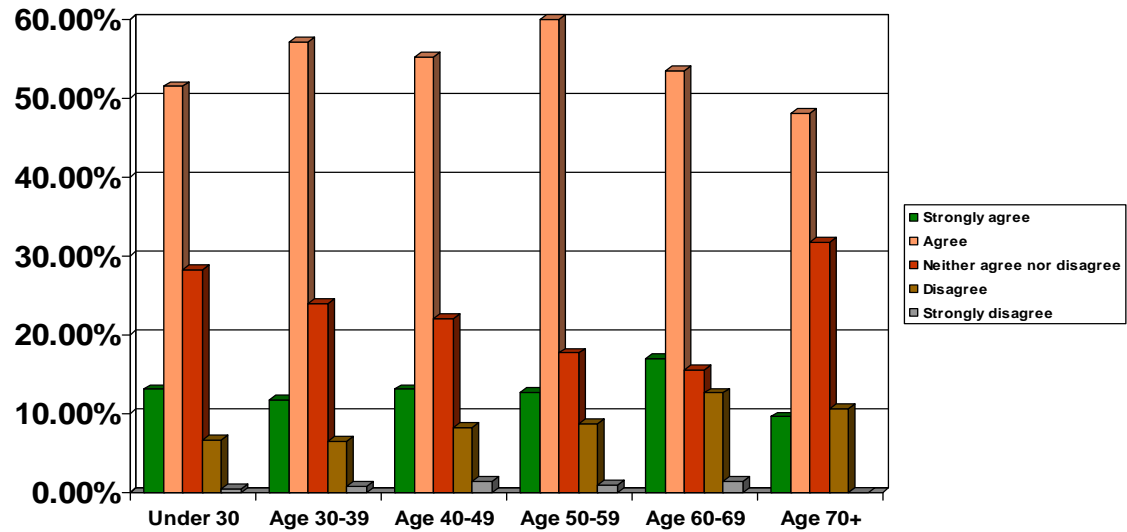


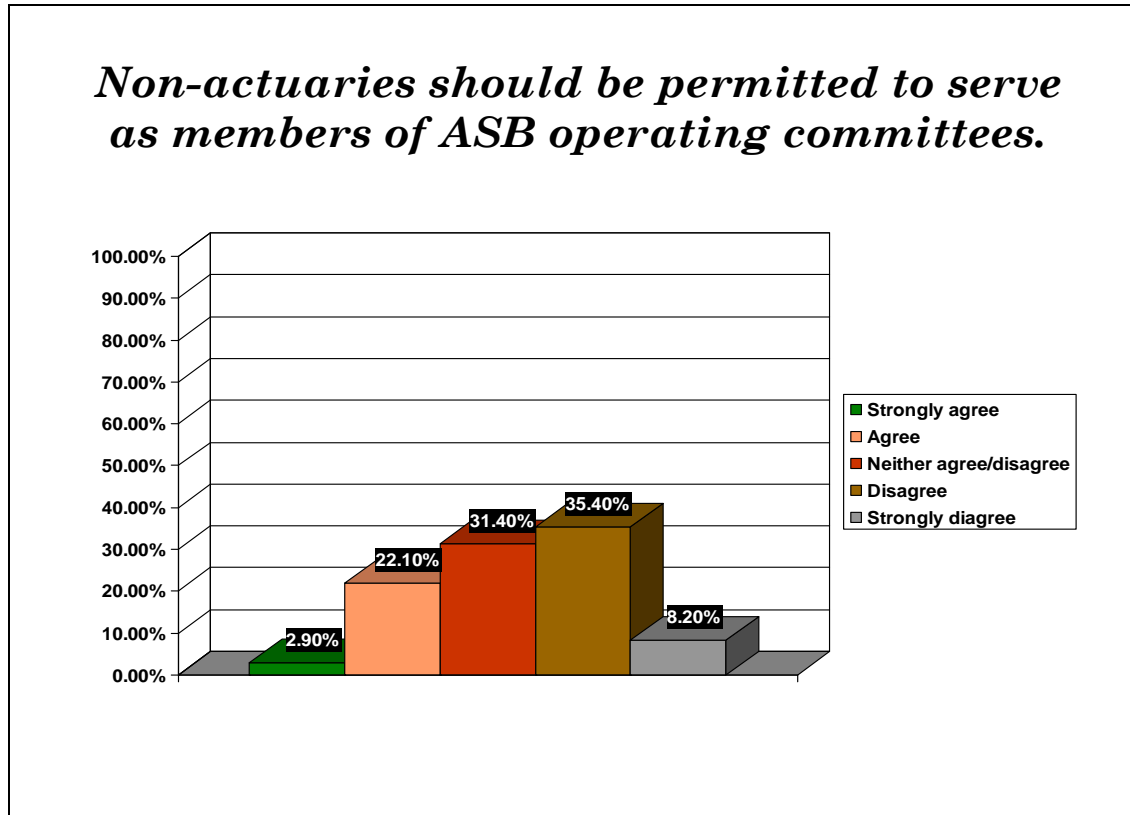
***Appropriateness of Non-Actuaries Submitting Comments on ASOPs***

Overall, 55.9% of respondents 'agreed' that it is appropriate for non-actuaries to submit comments on ASOPs.

There are no significant differences in response by age band, area of practice/interest or whether or not comments were submitted by the respondent. However, there is a significant percent of respondents under age 30 and age 70+ who provided a neutral response.

*It is appropriate that non-actuaries are allowed to submit comments for consideration by the ASB*





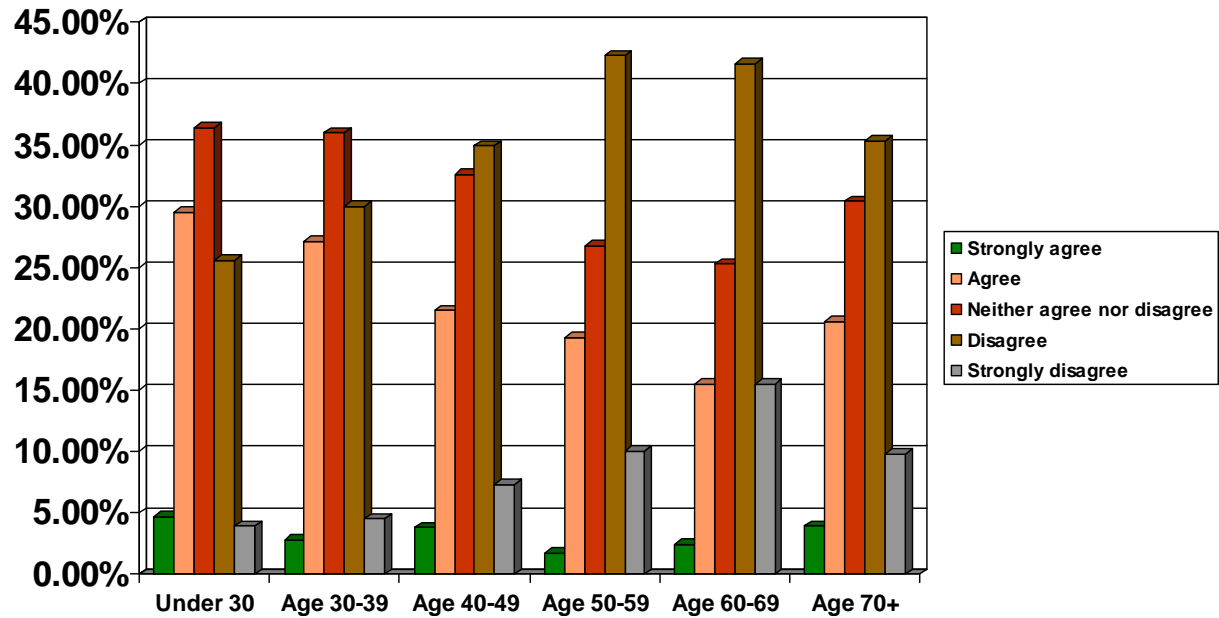
***Non-Actuaries Role on ASB Operating Committees***

There were many points of view expressed in the responses to this question. 35.4% of respondents disagreed, 31.4% of respondents were neutral and 22.1% of respondents agreed.

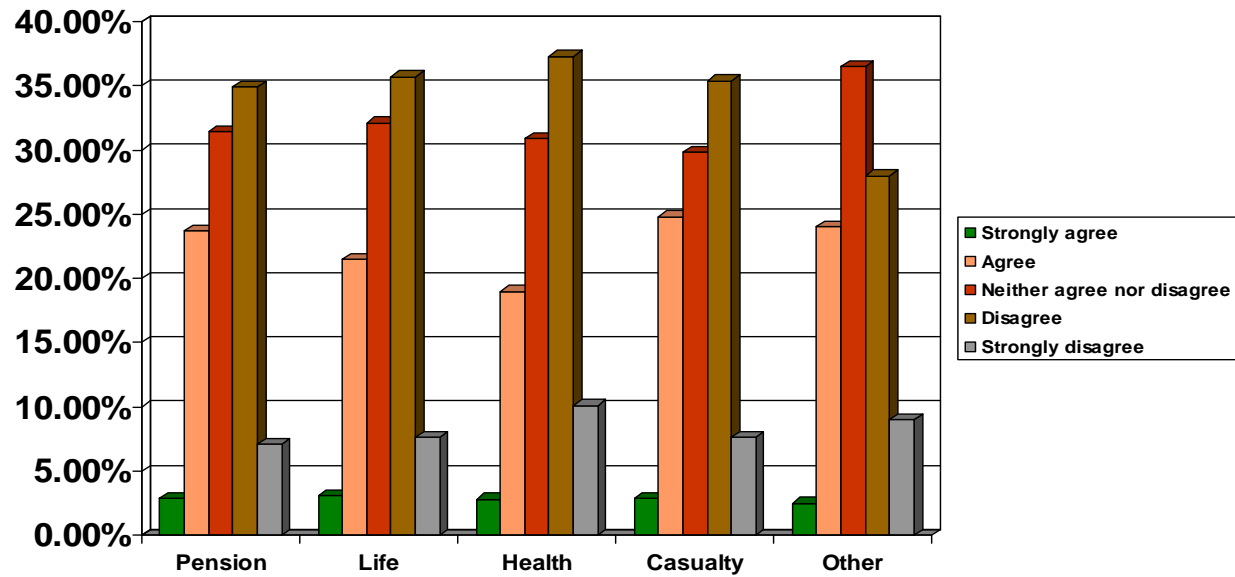
The younger age groups were more likely to express a 'neutral' response – with 36.4% of respondents under 30 and 36% of respondents 30-39 expressing a 'neutral' response to this statement. Strongly disagree percentages increase with the age segments of 50-59 (42.3%) and 60-69 (41.0%).

Those respondents who identified themselves as 'other' in their area of practice/interest were more likely to have a dominant response of neutral (36.5%). All other areas of practice/interest had 'disagree' as their dominant response. There were no significant differences in response between those who had or had not submitted comments.

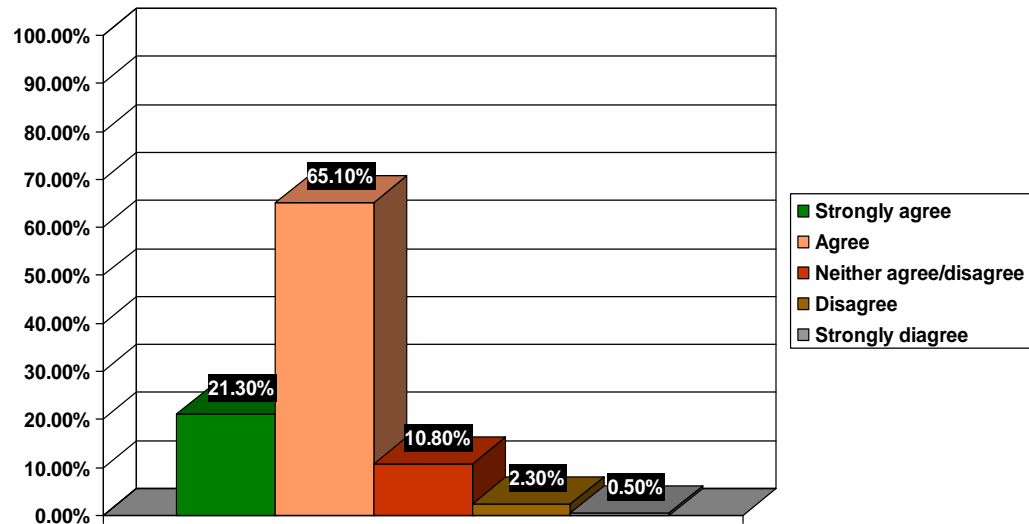
*Non-actuaries should be permitted to serve as members of ASB operating committees.*



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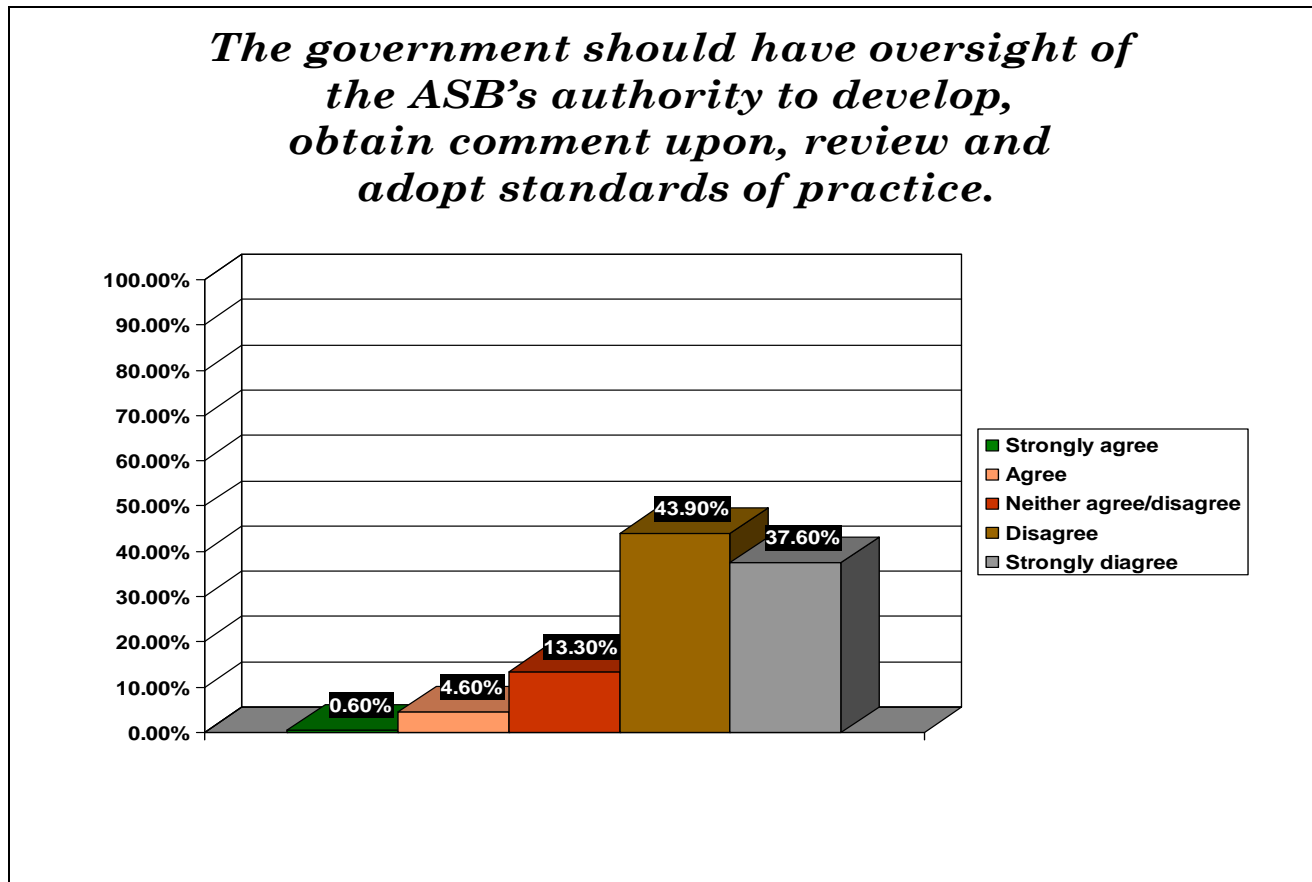
*The ASB should examine appropriate concepts of other disciplines like accounting or financial economics as it develops ASOPs.*



**Examining Appropriate Concepts of Other Disciplines**

The dominant response overall was 'agree' with 65.1% of respondents indicating their agreement with this statement.

There was no difference between age bands of respondents, from the overall response. There also were no significant differences in the area of practice/interest or whether or not the respondents had submitted comments.



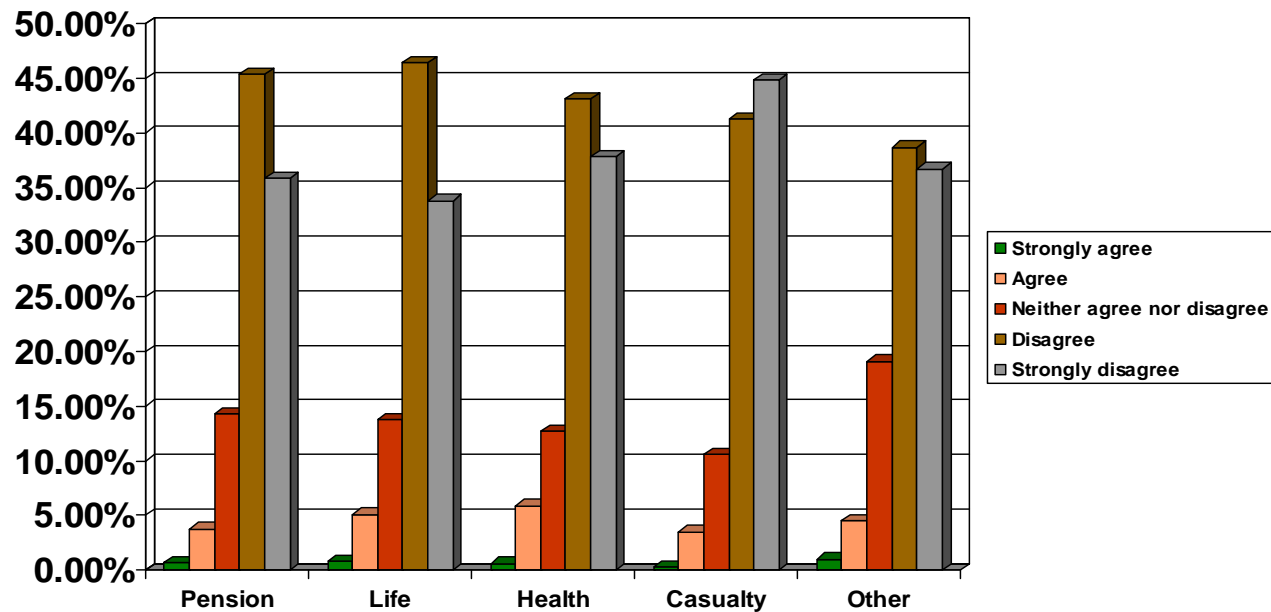
**Government Oversight**

This statement had one of the lowest 'bottom two box scores'<sup>1</sup>. 81.5% of respondents answered in the bottom two box scores. Specifically, 37.6% 'strongly disagree', while 43.9% 'disagree'.

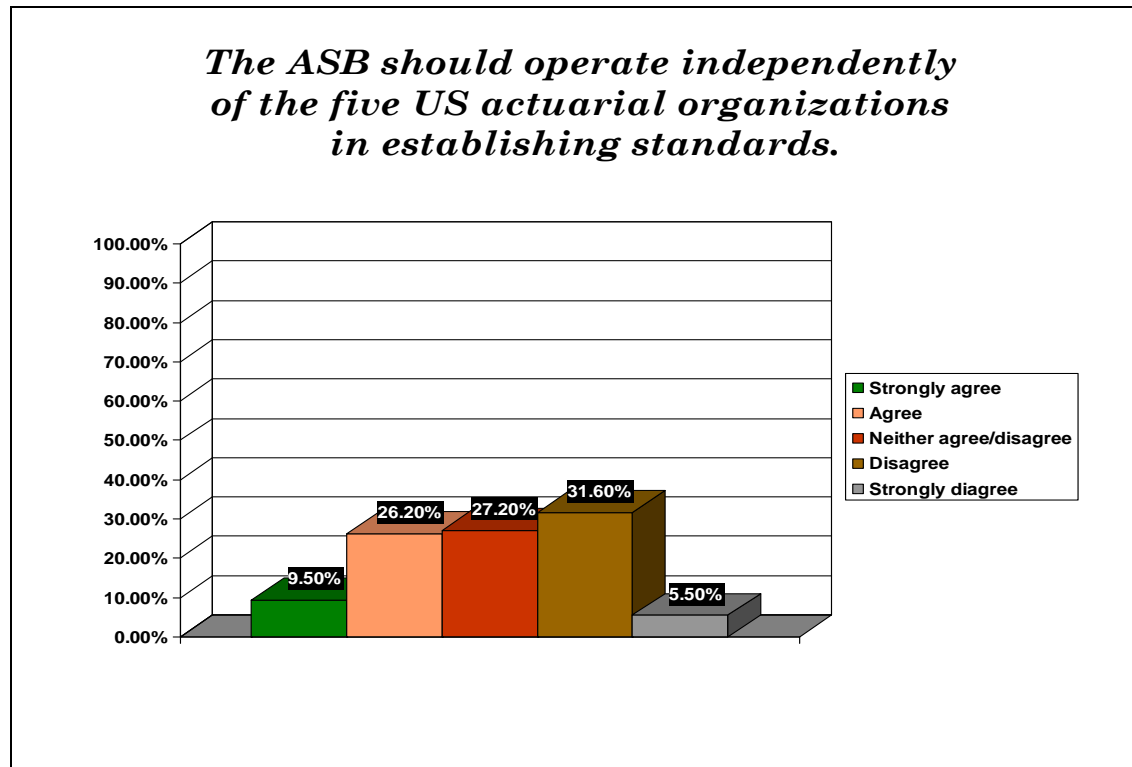
Actuaries in the casualty area of practice/interest are most likely to express a 'strongly disagree' response at 44%. 54.9% of those who had submitted a comment were also more likely to 'strongly disagree' at 54.9%.

<sup>1</sup> Bottom two box scores are the addition of the responses to the 'disagree' and the 'strongly disagree' options

*The government should have oversight of the ASB's authority to develop, obtain comment upon, review and adopt standards of practice.*







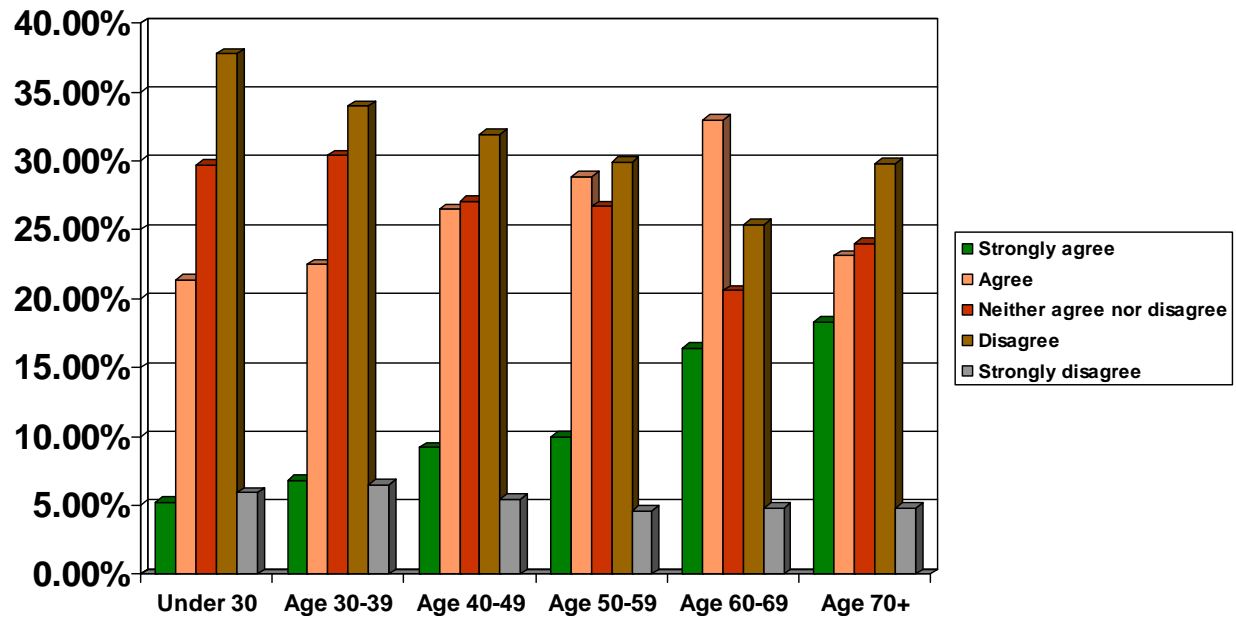
***Independence of ASB from other US Actuarial Organizations***

Here again, is a wide difference of opinion among respondents. ‘Disagree’ was the dominant response (31.6%), followed by ‘neutral’ at 27.2% and ‘agreed’ being 26.2%. Those who expressed the strongest opinions ‘strongly agree’ or ‘strongly disagree’ were under 10% each.

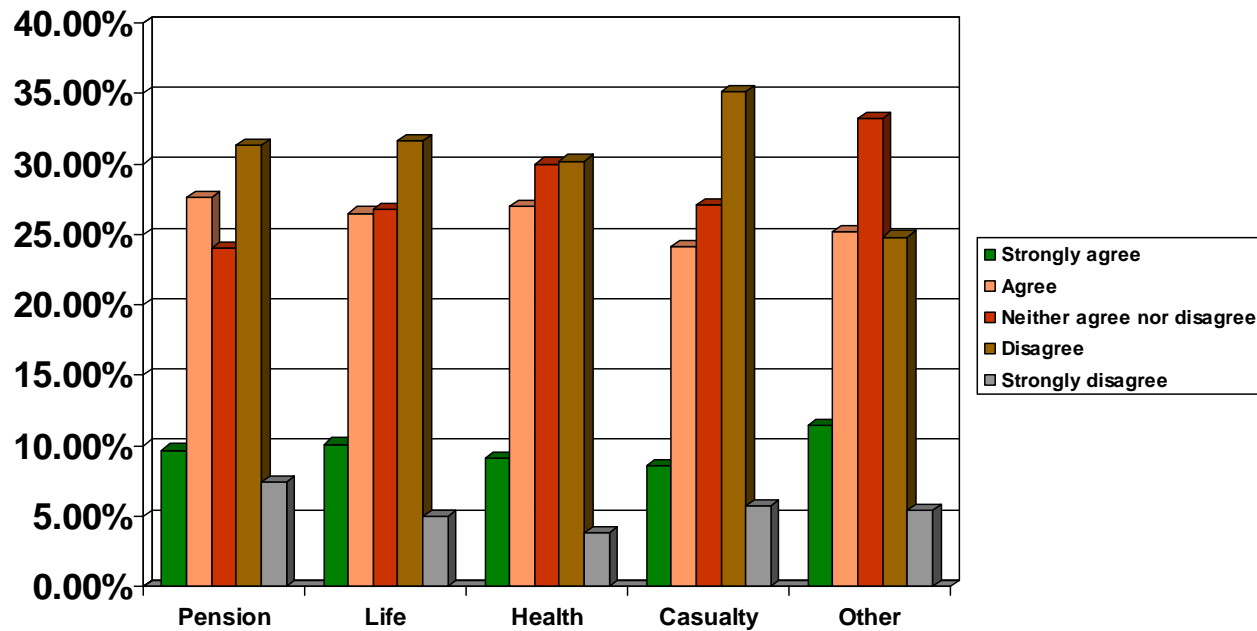
In examining the differences by age band, we see something that we have not seen before in this survey. The 60-69 age band behaves differently than all of the other age bands. In that age band the percentage of ‘agree’ was the highest at 33%, compared to 26.2% overall.

In examining area of practice/interest, the ‘other’ area of practice/interest behaved differently than all of the other segments. ‘Other’ respondents offered a dominant response of ‘neutral’ at 33.2%. There was a difference of opinion among those who had submitted comments versus those who had not. Respondents who had submitted comments had a dominant response of ‘agree’ (28.3%). Those respondents who had not submitted comments were more likely to ‘disagree’ at 32.7%.

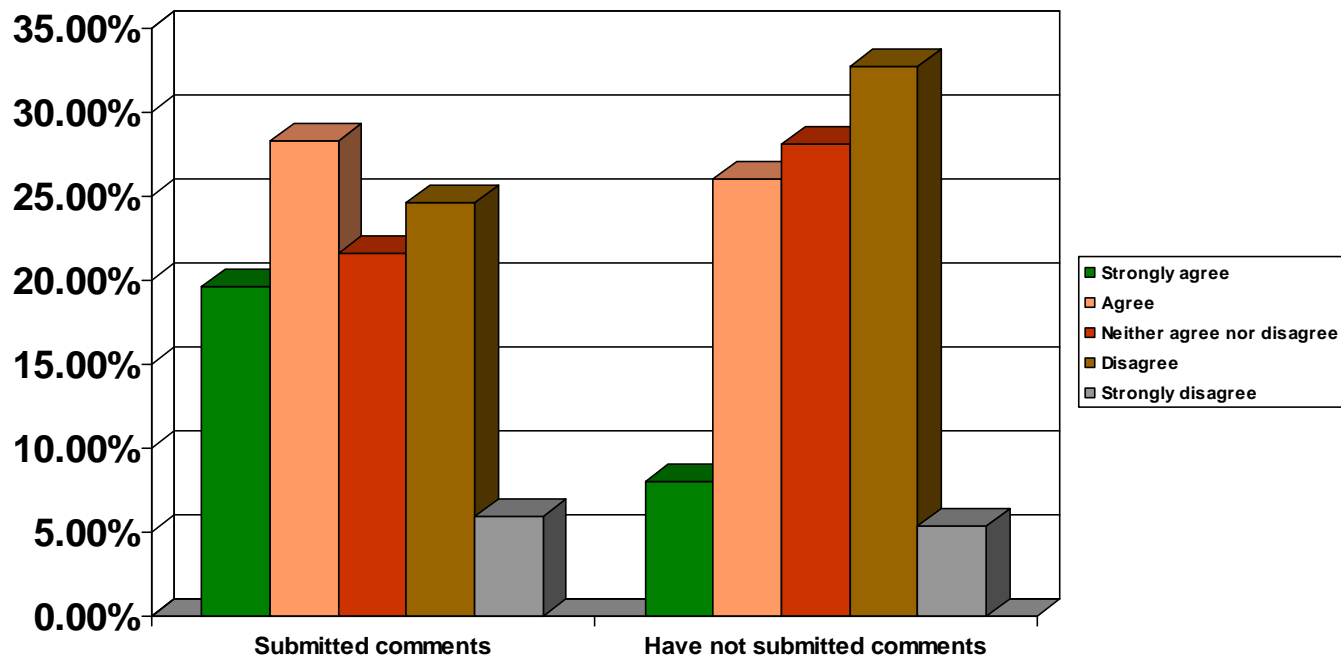
*The ASB should operate independently of the five US actuarial organizations in establishing standards.*

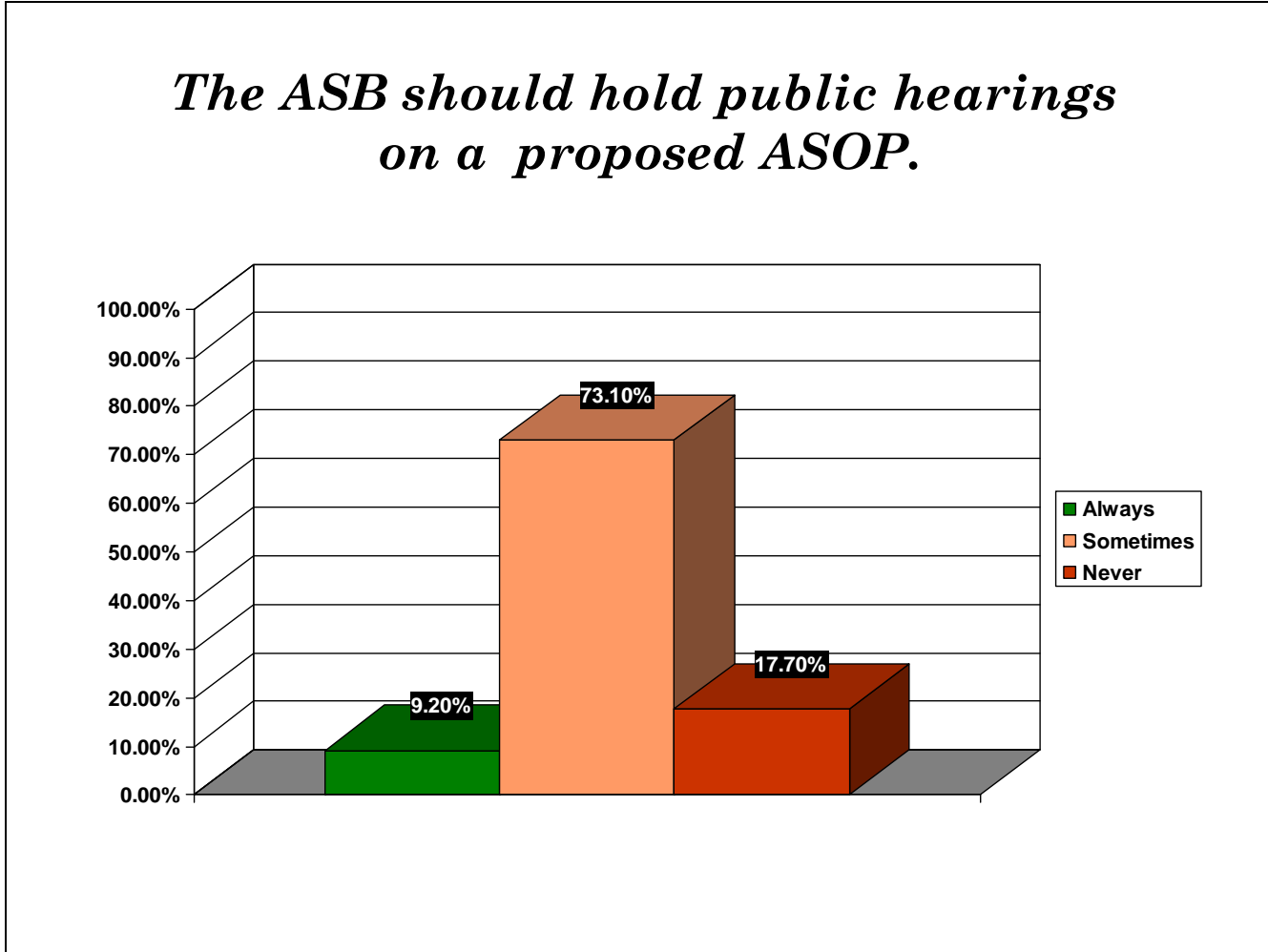


*The ASB should operate independently of the five US actuarial organizations in establishing standards.*



*The ASB should operate independently of the five US actuarial organizations in establishing standards.*

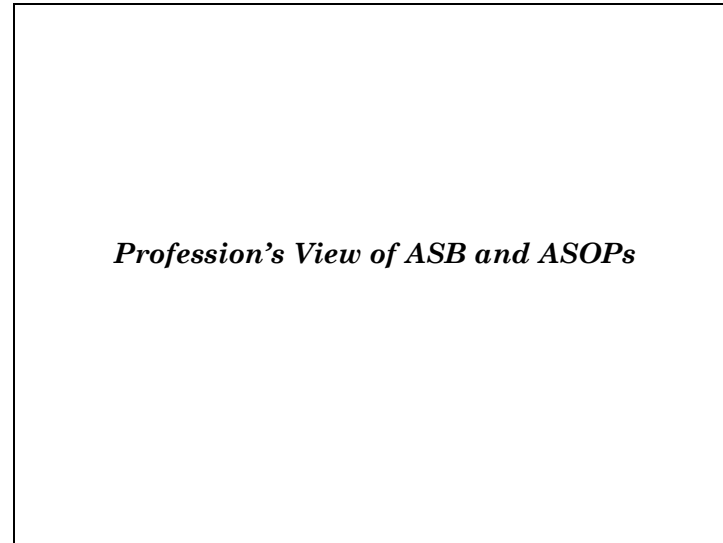




***Role of Public Hearings***

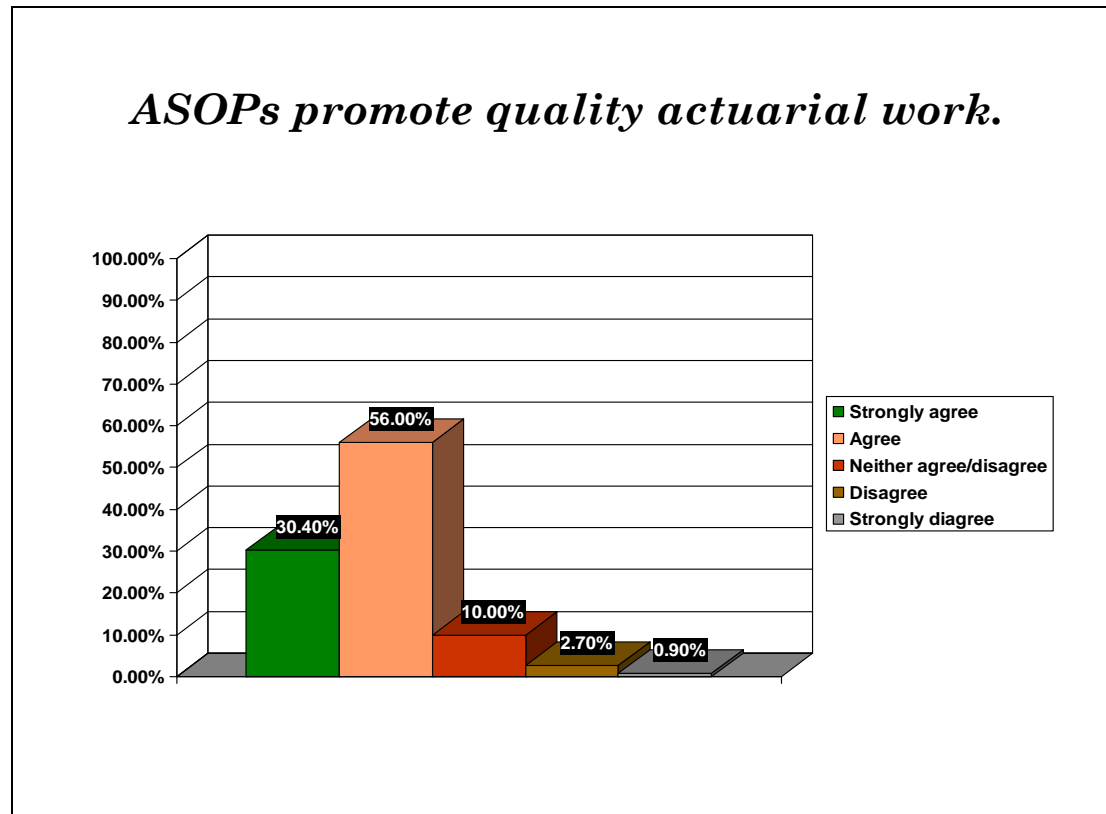
The responses to this question digressed from the five-point rating scale. Respondents could choose from ‘always’, ‘sometimes’ or ‘never’. As would be expected, ‘sometimes’ was the dominant response at 73.1%.

There were no significant differences by age band, area of practice/interest or whether or not the individual had submitted comments.



**QUESTIONS/STATEMENTS RELATING TO THE ASB AND ASOPs**

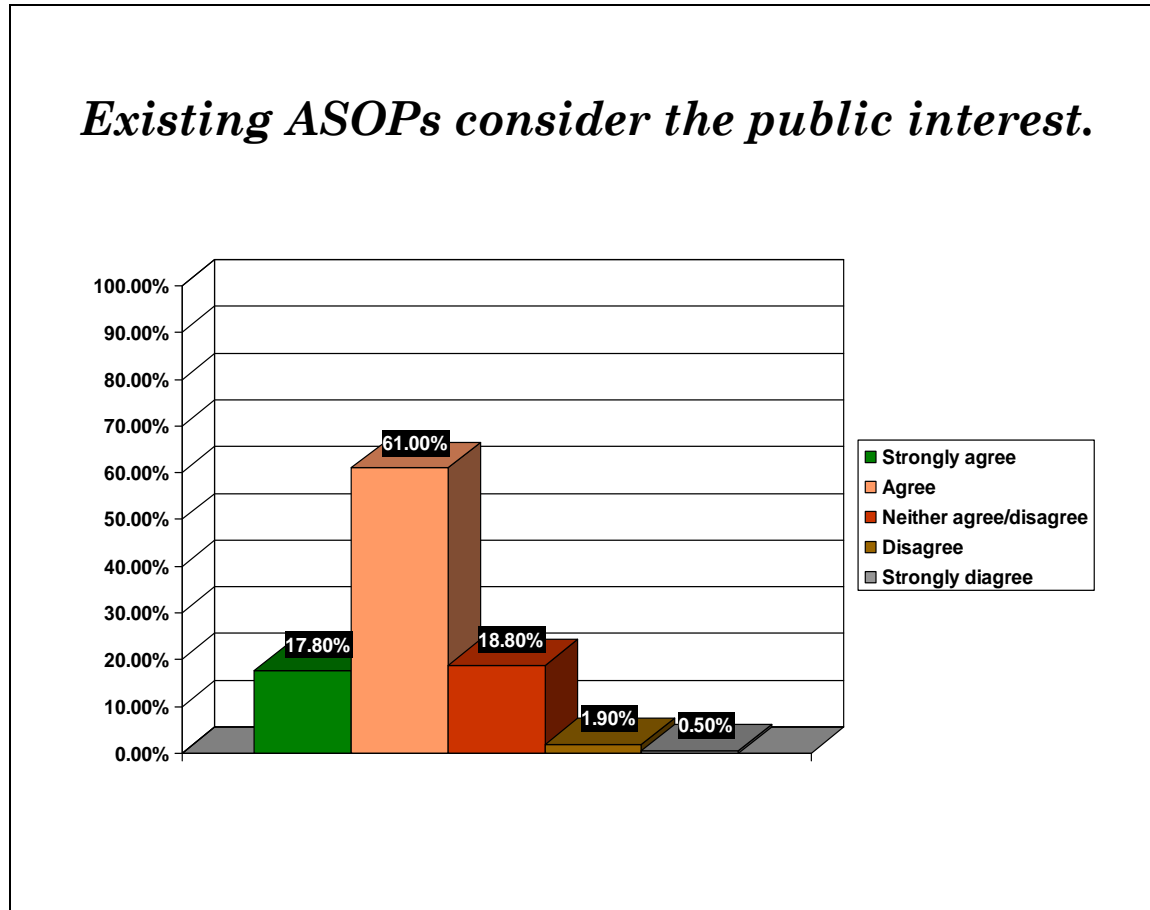
- ASOPs promote quality actuarial work.
- Existing ASOPs consider the public interest.
- ASOPs protect the actuary in litigation.
- ASOPs should be more prescriptive in providing guidance to actuaries.
- Existing ASOPs reflect the right balance of prescriptive rules and allowance for actuarial judgment.
- It is part of my professional responsibilities to comment on exposure drafts relevant to my area of practice/interest.
- Following ASOPs precludes poor actuarial practice.
- ASOPs help me improve my actuarial practice.
- The ASB has a rigorous protocol for the adoption of ASOPs.
- I value the work of the ASB.
- I am knowledgeable regarding the ASB process for developing and amending ASOPs.
- I am knowledgeable regarding the content and resulting guidance of ASOPs affecting my area of practice/interest.
- ASOPs should consider the public interest.
- ASOPs should require practices that go beyond what most actuaries are already doing.



***ASOPs Promote Quality Actuarial Work***

The top two box score for this question is very high. More than 89% of respondents either ‘strongly agree’ (33.4%) or ‘agree’ (56%) with this statement.

There are no significant differences among the any of the variables.



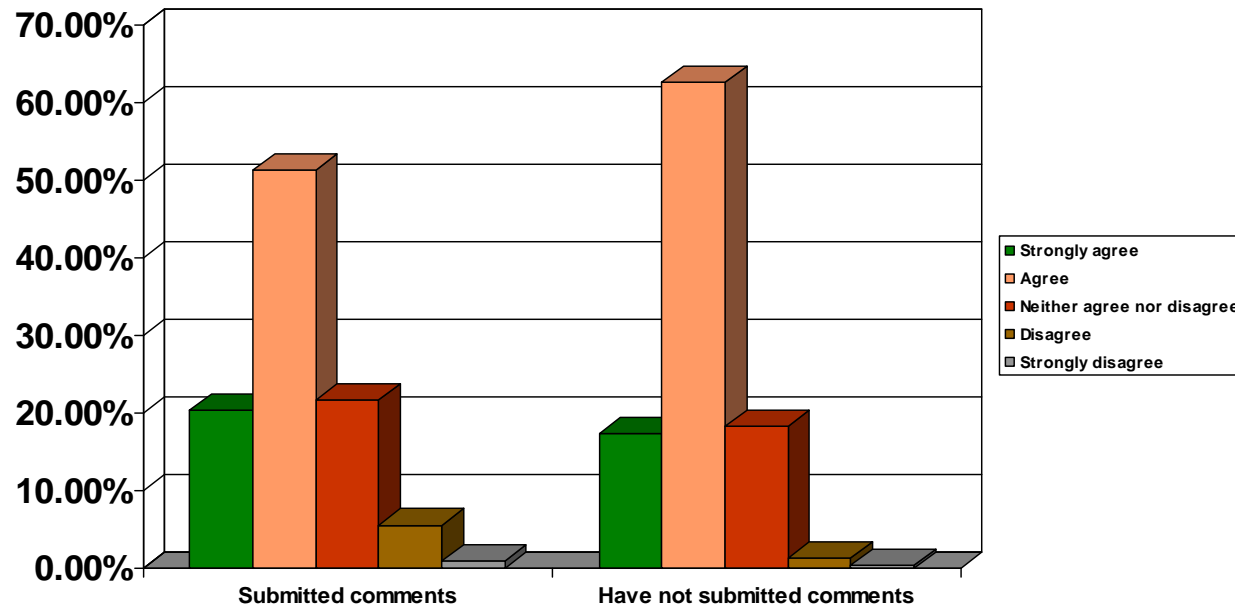
***ASOPs and the Public Interest***

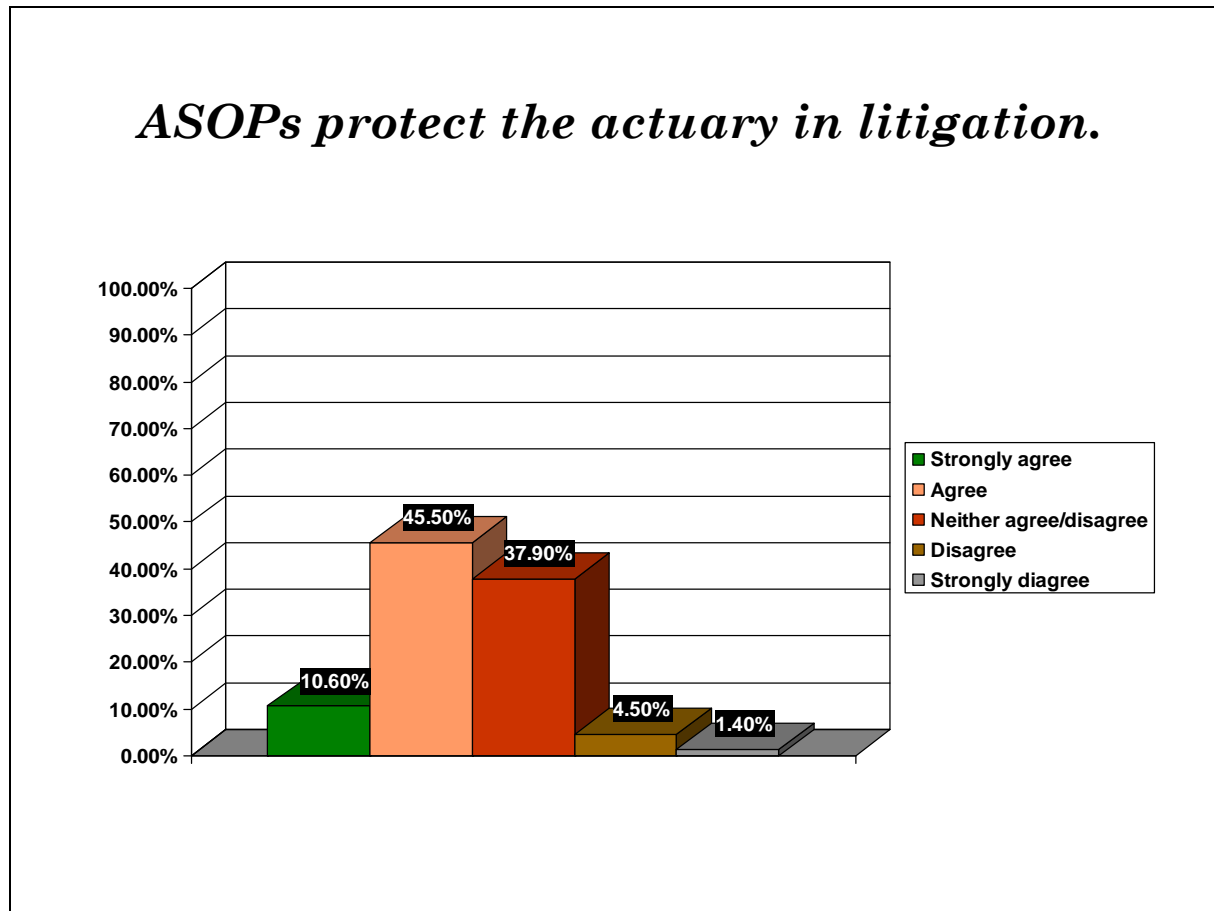
'Agree' is the dominant response with 61% choosing this option overall.

There are no significant differences among age bands or areas of practice/interest. Those who have submitted comments are less likely to 'agree' with the statement at 51.3%.



*Existing ASOPs consider the public interest.*





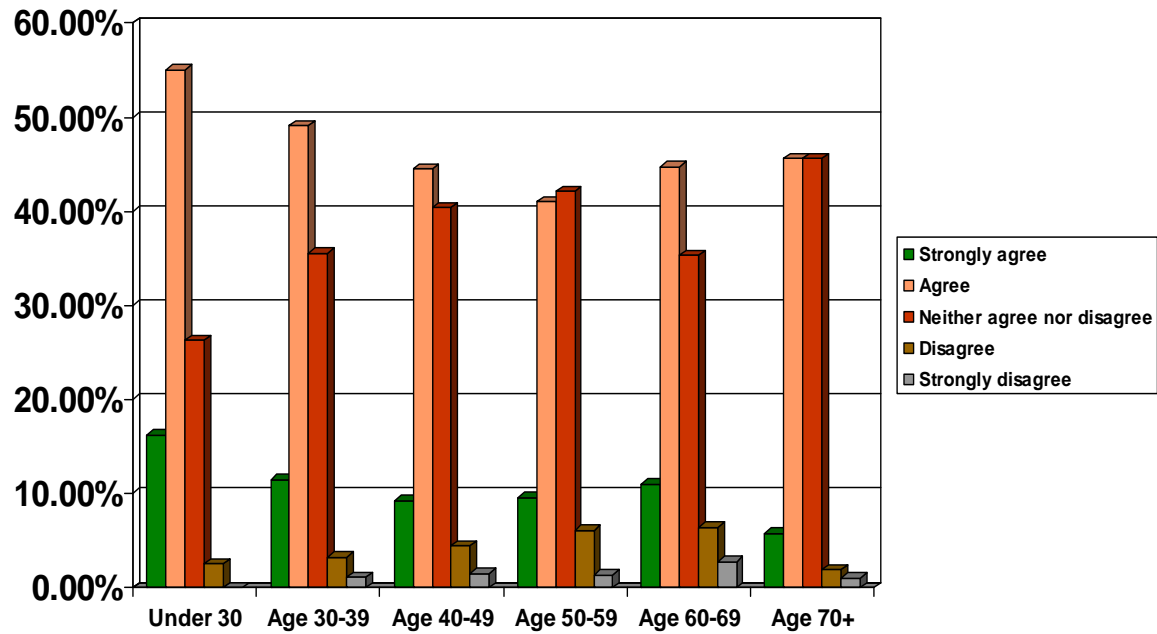
***ASOPs Protect the Actuary in Litigation***

Overall, the ‘agree’ response is dominant (45.5%). However the neutral response follows closely at 37.9%

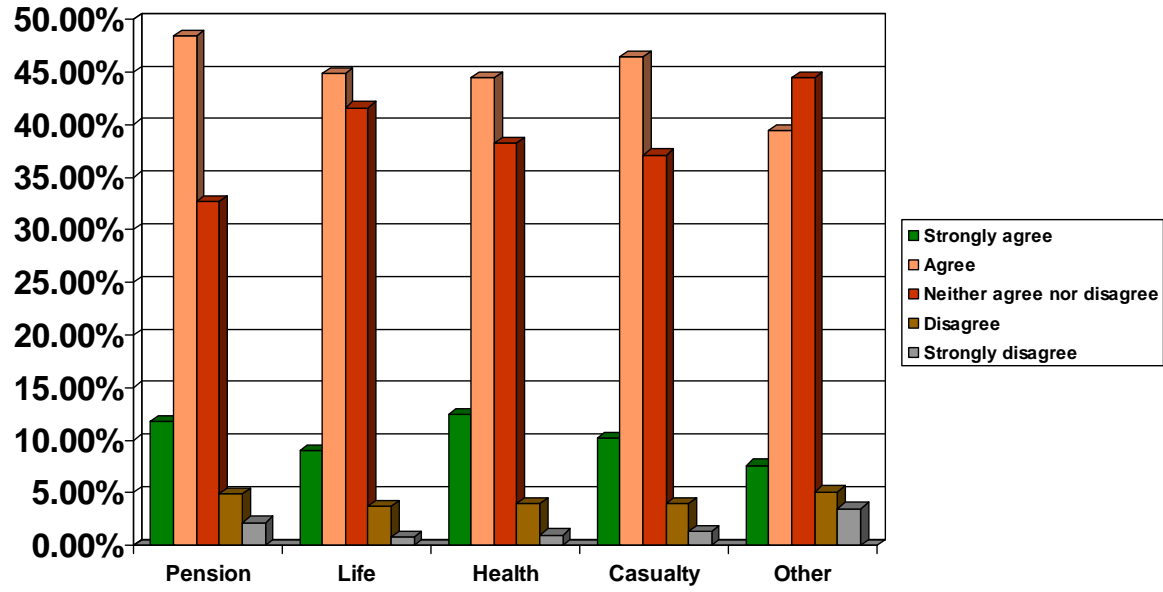
All of the age bands, except the 50-59 group, track the overall response pattern. In this age group, the ‘neutral’ response is dominant at 42.1%. The ‘other’ respondents in the area of practice/interest have a dominant response of ‘neutral’ at 44.1%.

In examining responses by whether the individual had or had not submitted comments, those who have submitted comments offered a neutral response of 39.1%. Those who had not submitted comments had a dominant response of ‘agree’ at 46.9%.

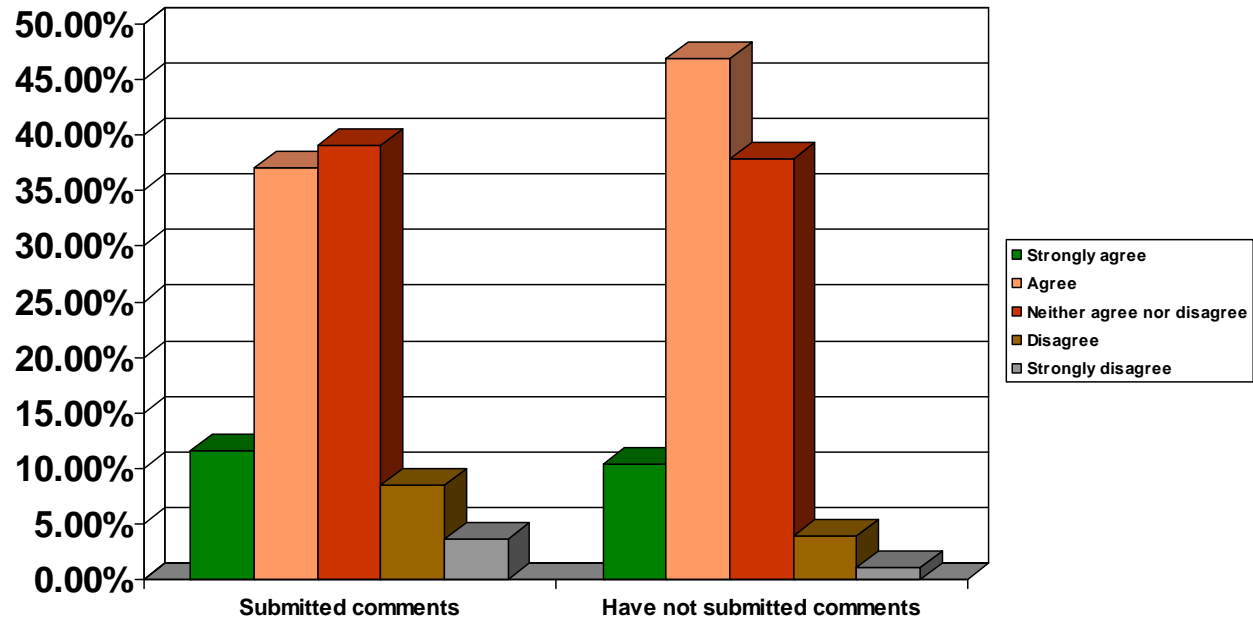
### *ASOPs protect the actuary in litigation.*

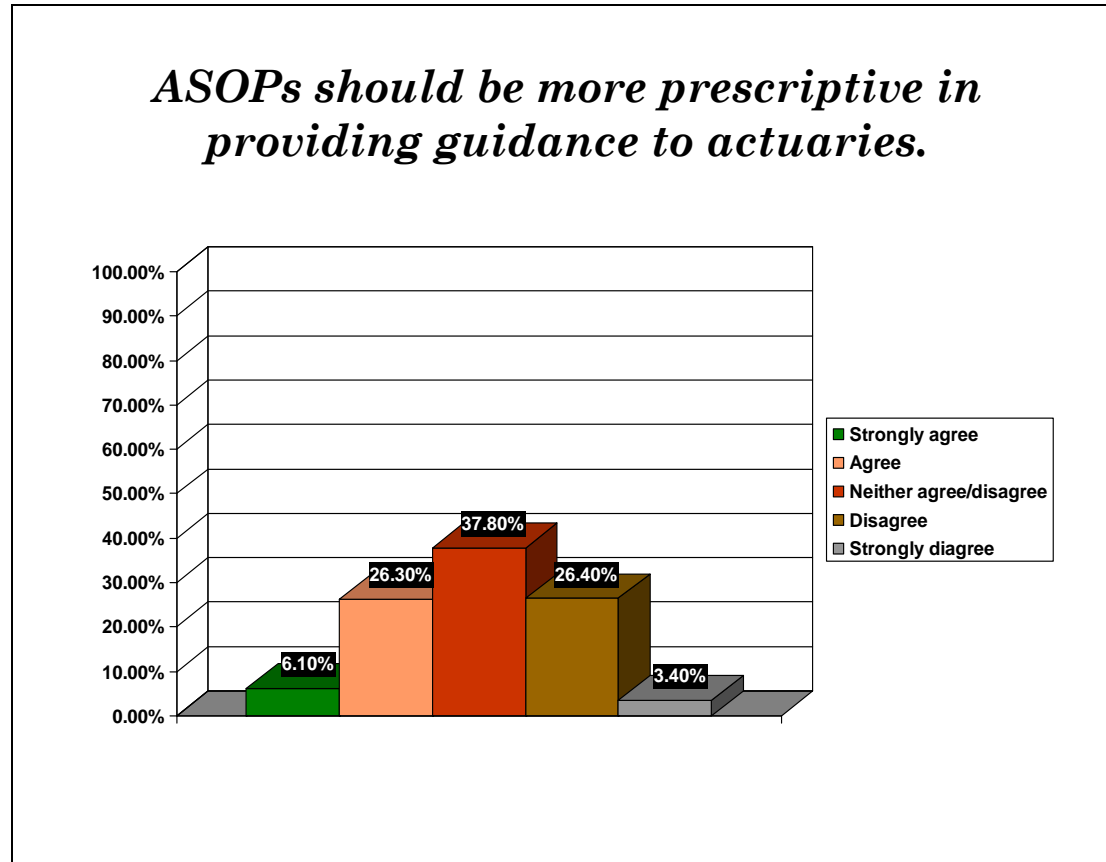


*ASOPs protect the actuary in litigation.*



## *ASOPs protect the actuary in litigation.*





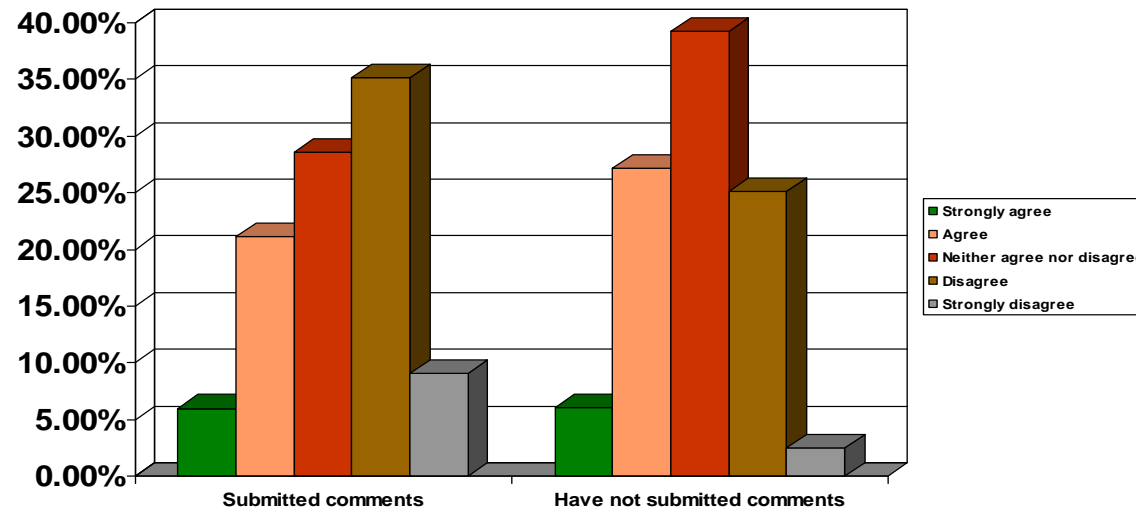
***ASOPs Should be More Prescriptive in Providing Guidance***

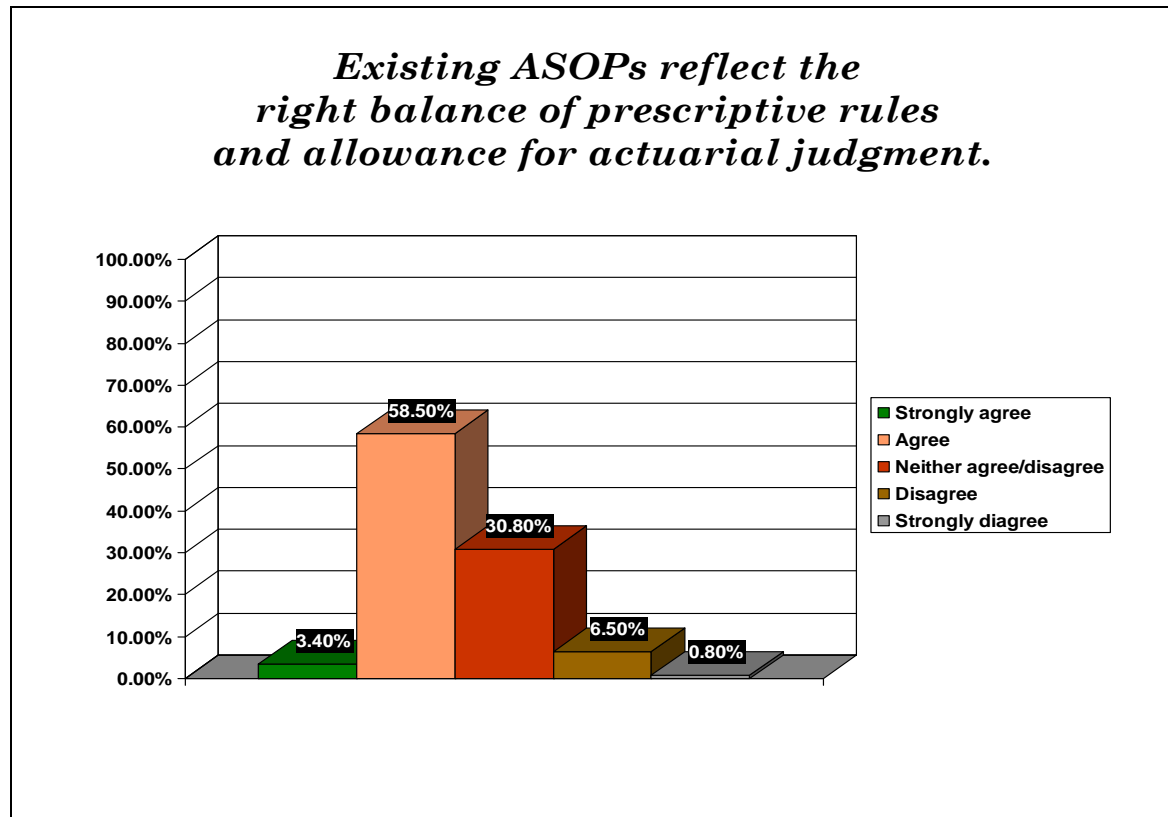
Responses to this statement are the closest to a normal distribution of any in the survey:

There are no significant differences when examining age or area or practice/interest.

The dominant response of those who submitted comments was 'disagree' at 35.1%. For those who had not submitted comments, the 'neutral' response was dominant at 39.2%

*ASOPs should be more prescriptive in providing guidance to actuaries.*





***ASOPs Have the Right Balance of Prescriptive Rules and Allowance for Actuarial Judgment***

Overall the dominant response was ‘agree’ at 58.5%, followed by the ‘neutral’ response at 30.8%.

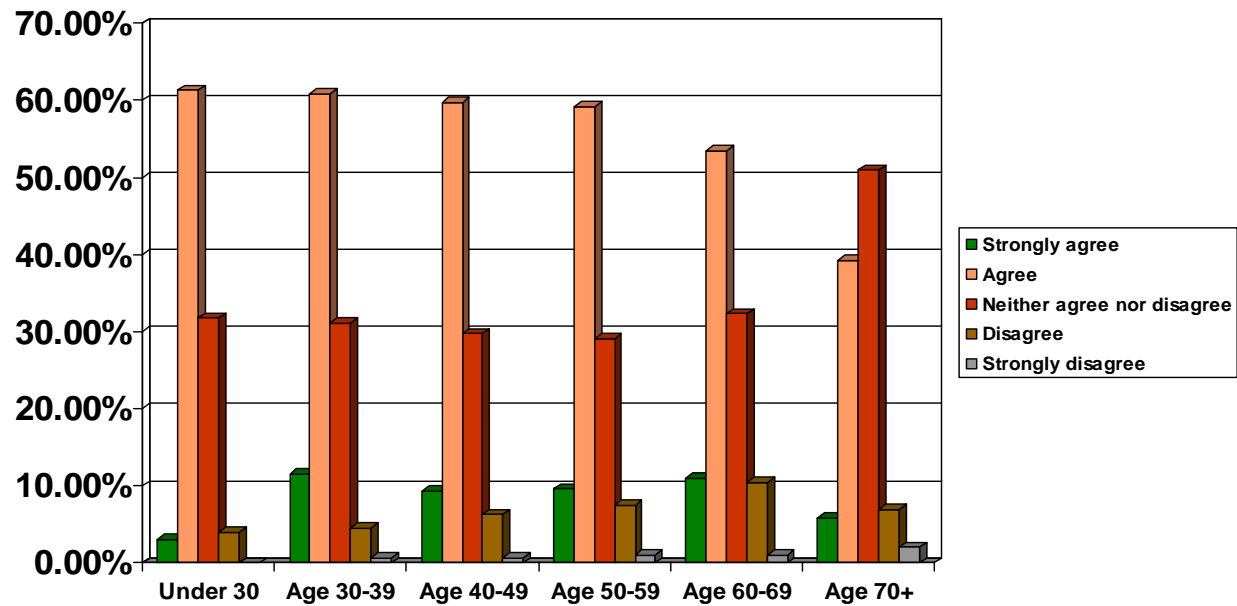
In examining results by age, the dominant response for those over age 70 is ‘neutral’ at 51%. In all other age bands the dominant response was ‘agree’.

The dominant response for ‘other’ area of practice/interest was neither agree nor disagree (47.0%).

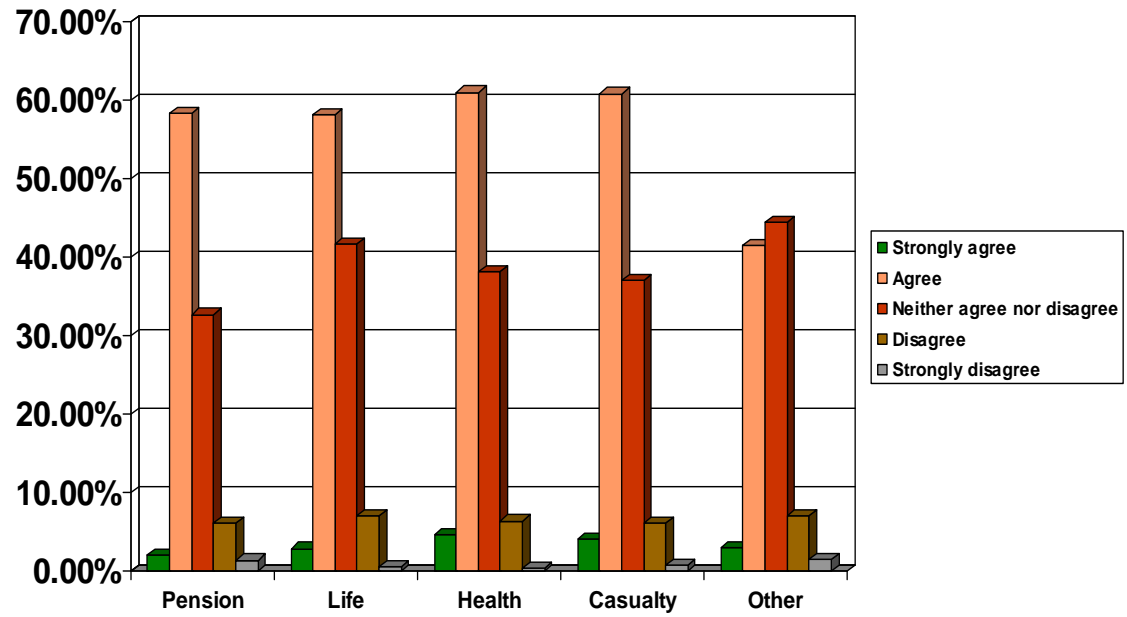
No significant difference was observed between those had submitted comments and those who had not.



*Existing ASOPs reflect the right balance of prescriptive rules and allowance for actuarial judgment.*



*Existing ASOPs reflect the right balance of prescriptive rules and allowance for actuarial judgment.*





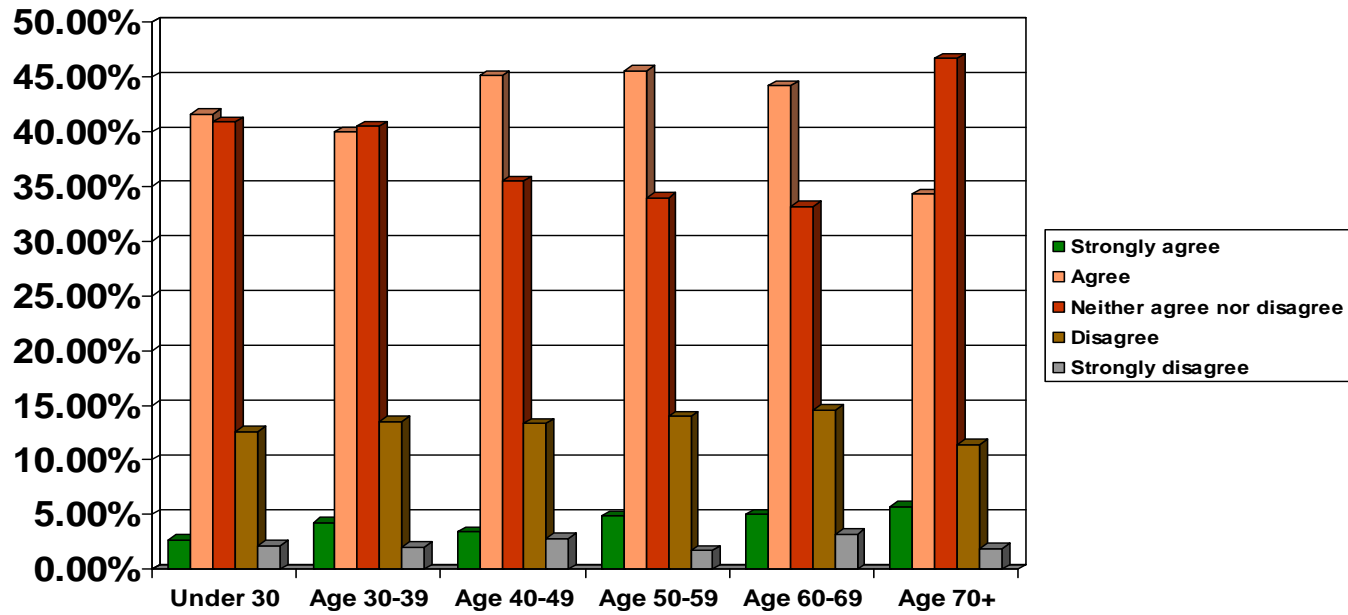
***It Is Part of My Professional Responsibilities to Comment on Exposure Drafts Relevant to my Area of Practice/ Interest***

The overall dominant response to the question was agree (43.20%) followed by neither agree nor disagree at 36.70%. That neutral response was augmented by a disagree response of 13.60%

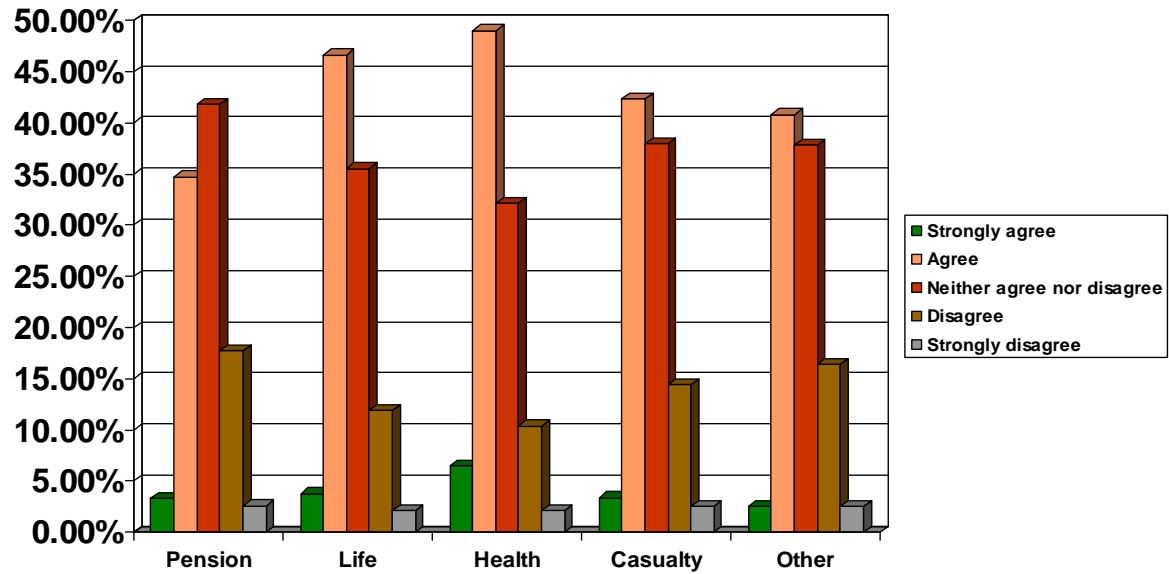
In looking at age band segment response to this question, all age segments with the exception of 30-39 agreed with the exception of those 30-39 who neither agree nor disagree (40.5%). The 70+ age band also responded neutrality at 46.7%.

In examining area of actuarial/ practice interest, pension respondents were more likely to express a neutral response of 41.8%. For this question, those respondents who had never submitted comments varied from those who had not by 19% (**59.8%** vs. 40.8%).

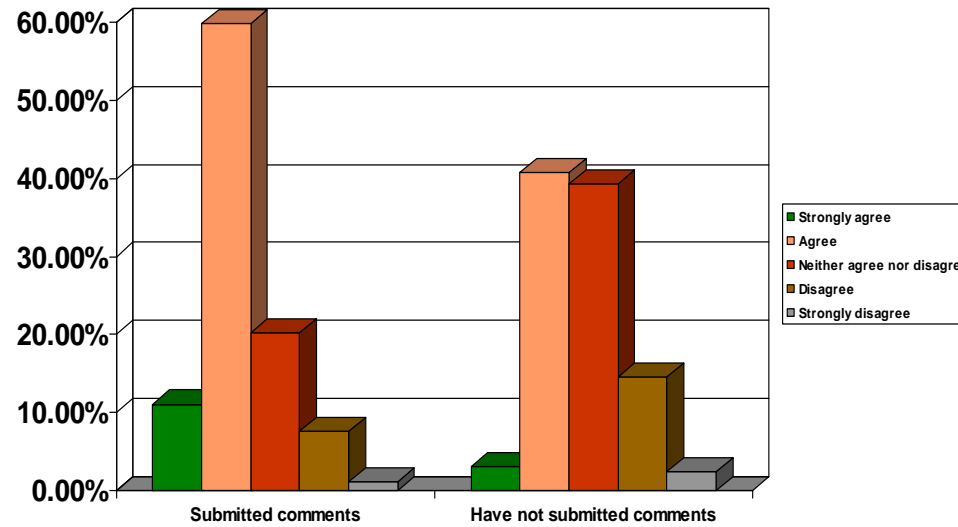
*It is part of my professional responsibilities to comment on exposure drafts relevant to my area of practice/interest.*

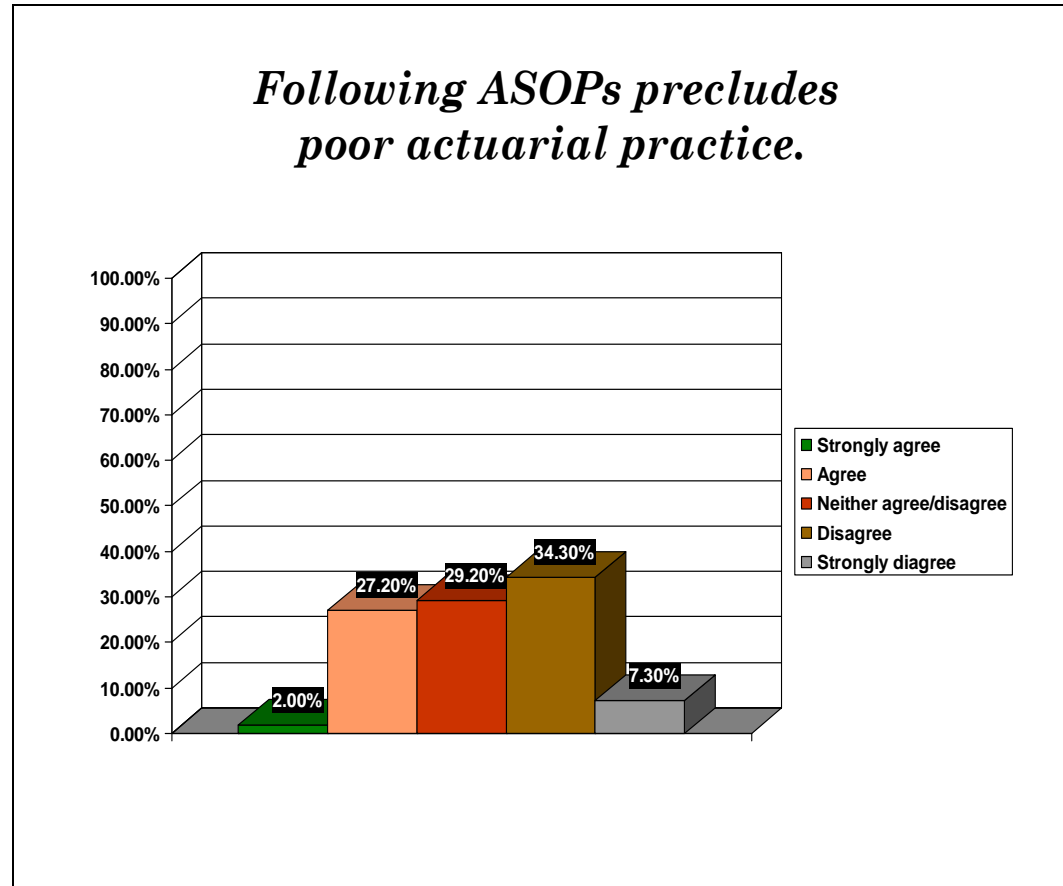


*It is part of my professional responsibilities to comment on exposure drafts relevant to my area of practice/interest.*



*It is part of my professional responsibilities to comment on exposure drafts relevant to my area of practice.*

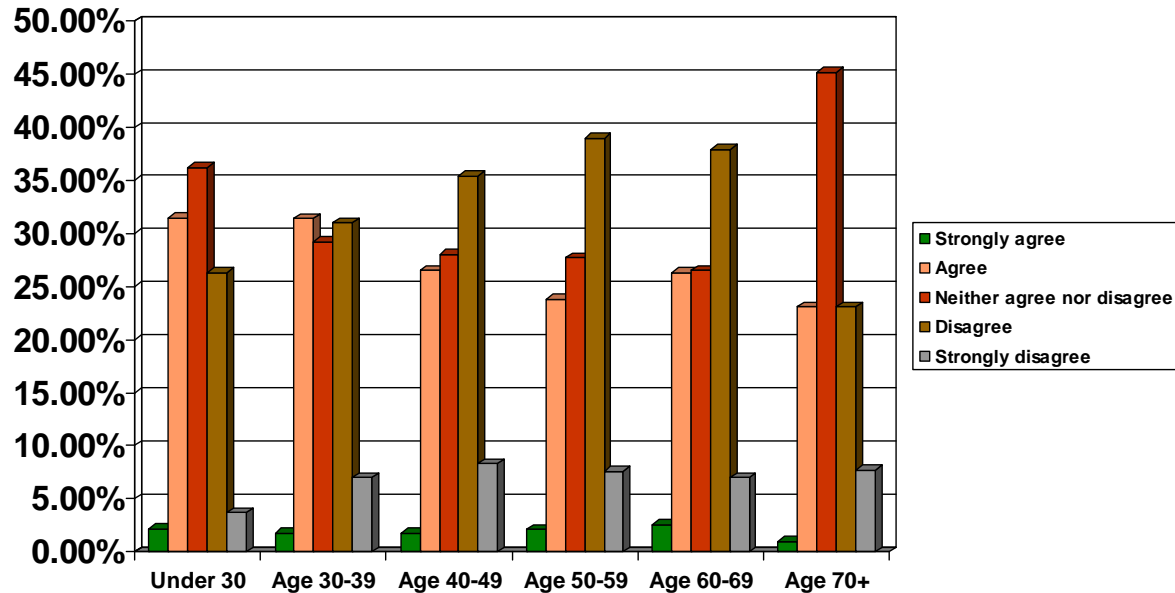




***Following ASOPs Precludes Poor Actuarial Practice***

The overall responses trended to disagree (34.30%), neutral at (29.2%) with agree being 27.2%. In addition it should be noted, that strongly disagree outpaced strongly agree by 5.30%.

*Following ASOPs precludes poor actuarial practice.*



Responses by age band were the most varied of any question in the survey:

- Under 30                      Neither agree nor disagree      36.2%
- 30-39                              Agree                                      31.4%
- 40-49                              Disagree                                35.4%
- 50-59                              Disagree                                39.0%
- 60-69                              Disagree                                37.9%
- 70+                                 Neither agree nor disagree      45.2%

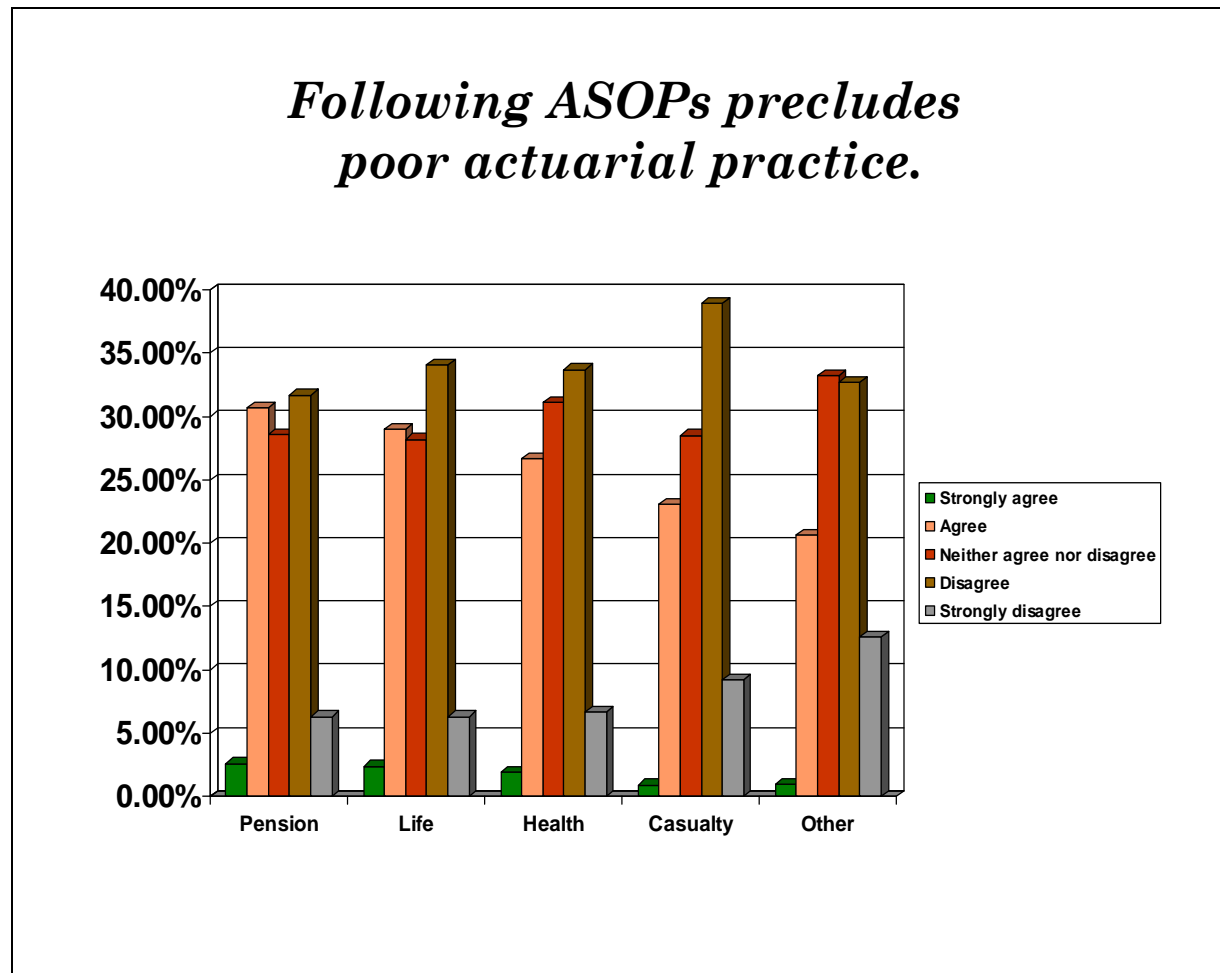


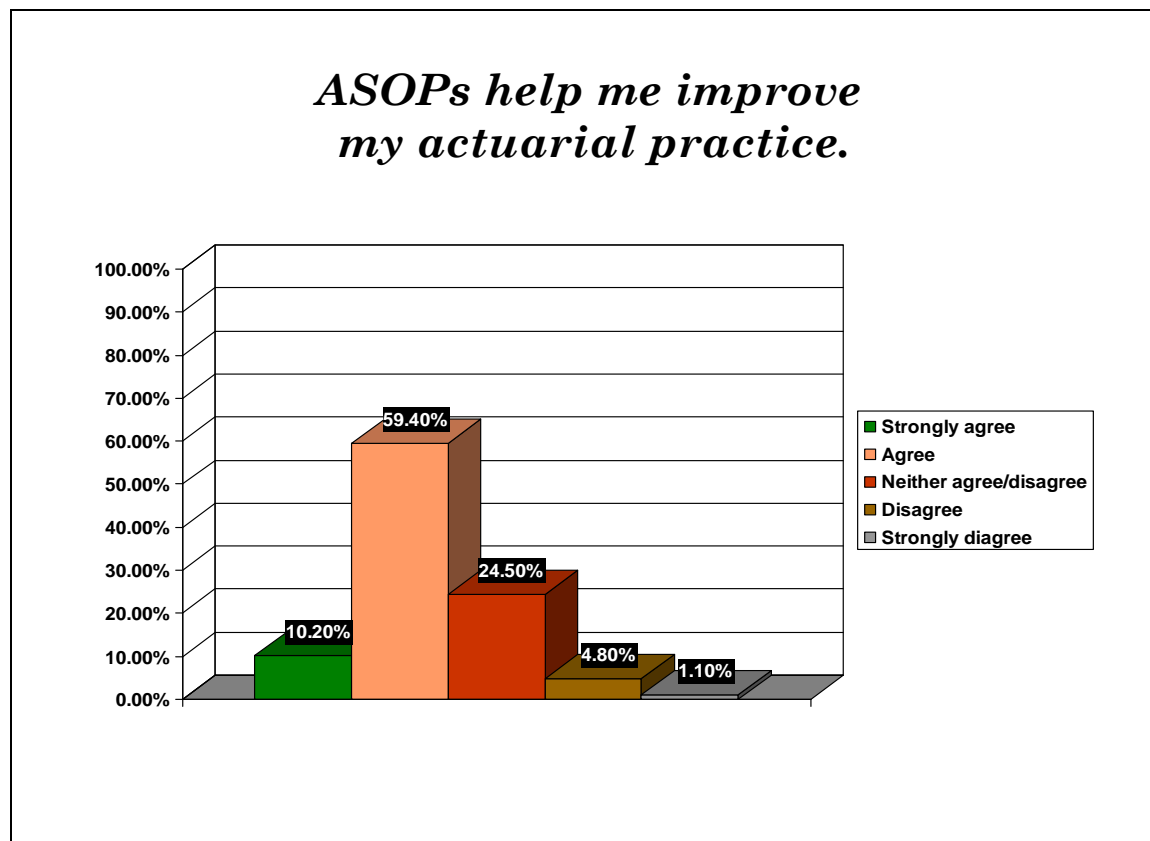
ATTACHMENT 10A (PART 2)

Once again the similarity between youngest age band and oldest age band appears.

As for primary area of actuarial practice/interest, those from “other” responded neither agree nor disagree at 33.2% as opposed to disagree from other practice area response segments.

Respondents submitting comments disagreed at 44.7%, while those not submitting were at 32.8%.





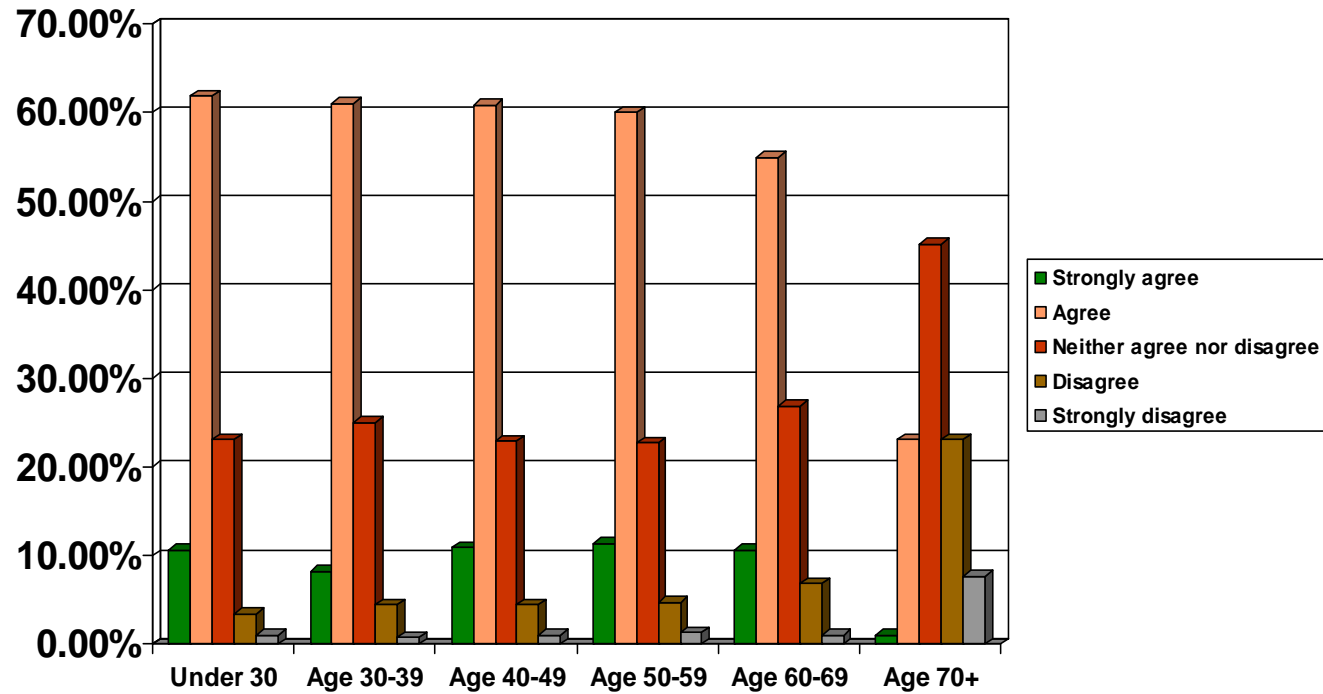
***ASOPS Help Me Improve My Actuarial Practice***

Two thirds of members responding to the question were in agreement with strongly agree being 10.2% and agree topping out at 59.4%. At the same time however, nearly a quarter expressed a neutral point of view (24.5%)

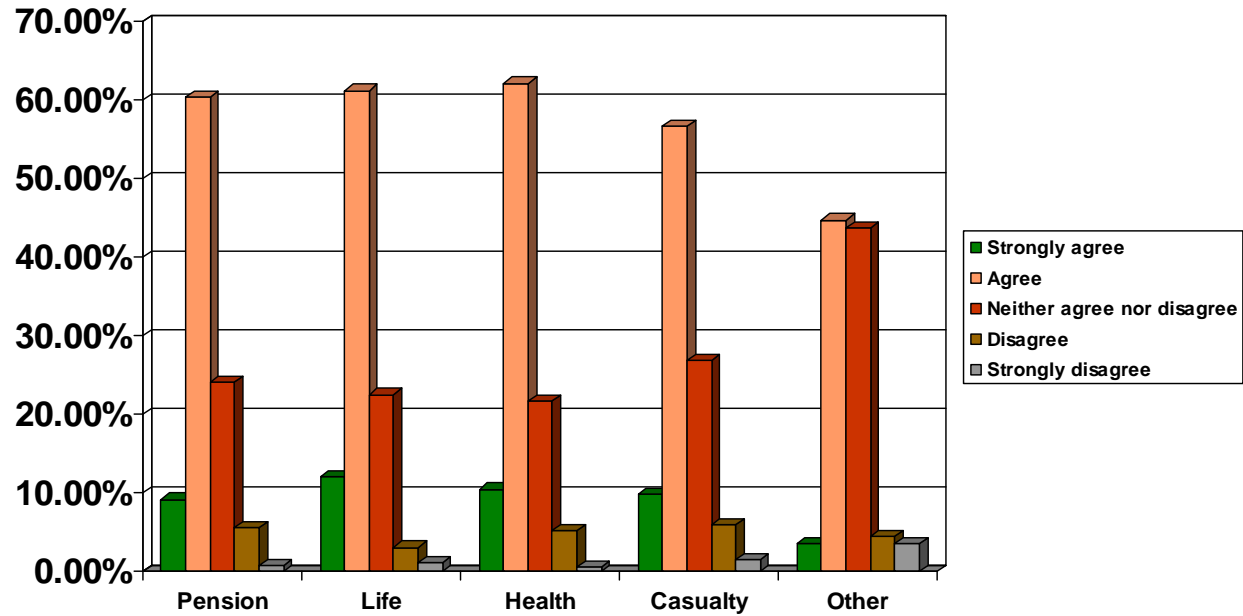
The neutral point of view (44.1%) was that of the age band 70+ respondents with the response totals for all other age bands being 60.1%. While all groups of primary area of actuarial practice/interest responded agree, it should be noted that the lowest percentage was with “other” at 44.7% with the highest being “health” at 62.1%.

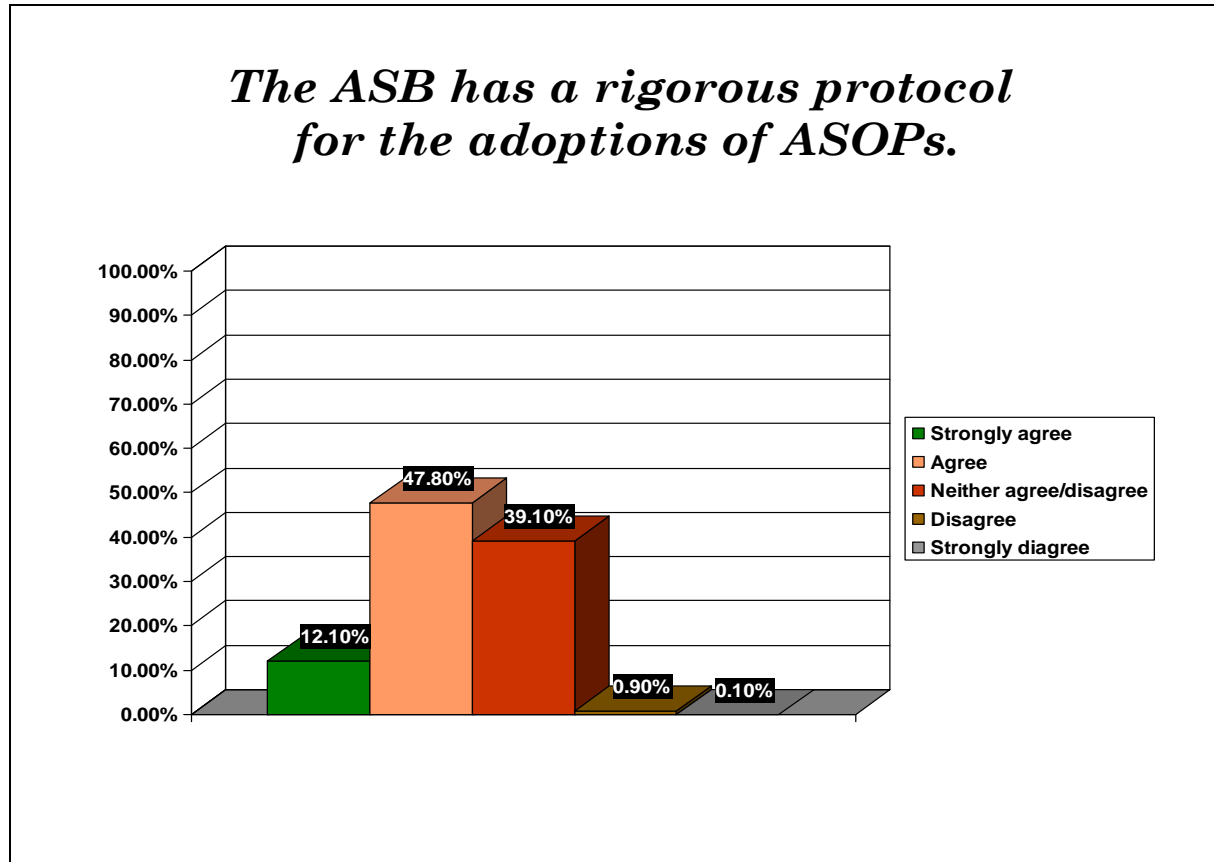
Only at 0.03% difference separated those submitting comments (59.2%) from those not (59.5%).

## *ASOPs help me improve my actuarial practice.*



*ASOPs help me improve my actuarial practice.*





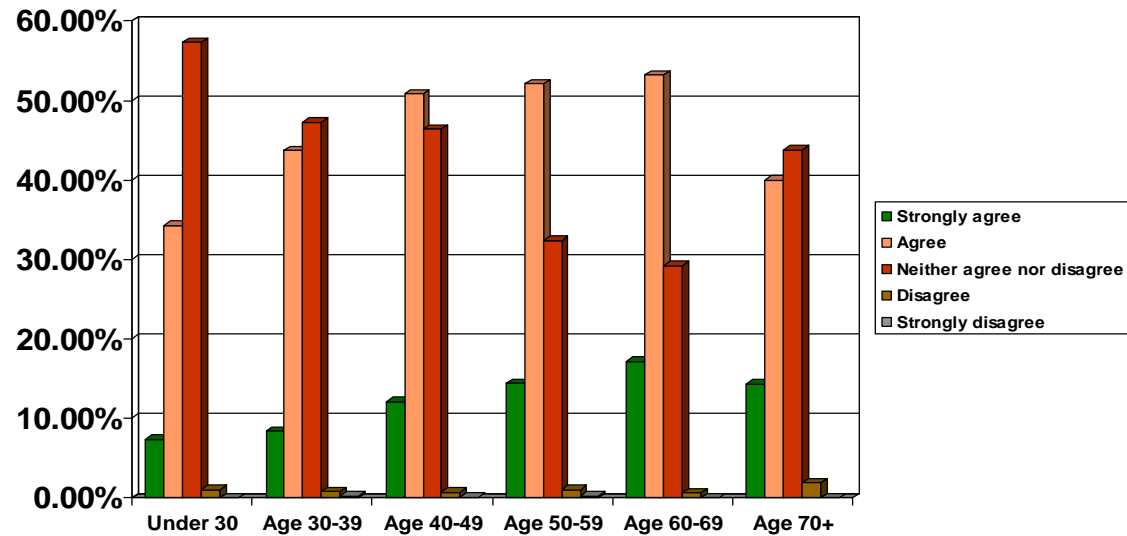
***The ASB Has a Rigorous Protocol for the Adoption of ASOPs***

An overall agree response of 47.8% was observed with the neither agree nor disagree response being 39.10%.

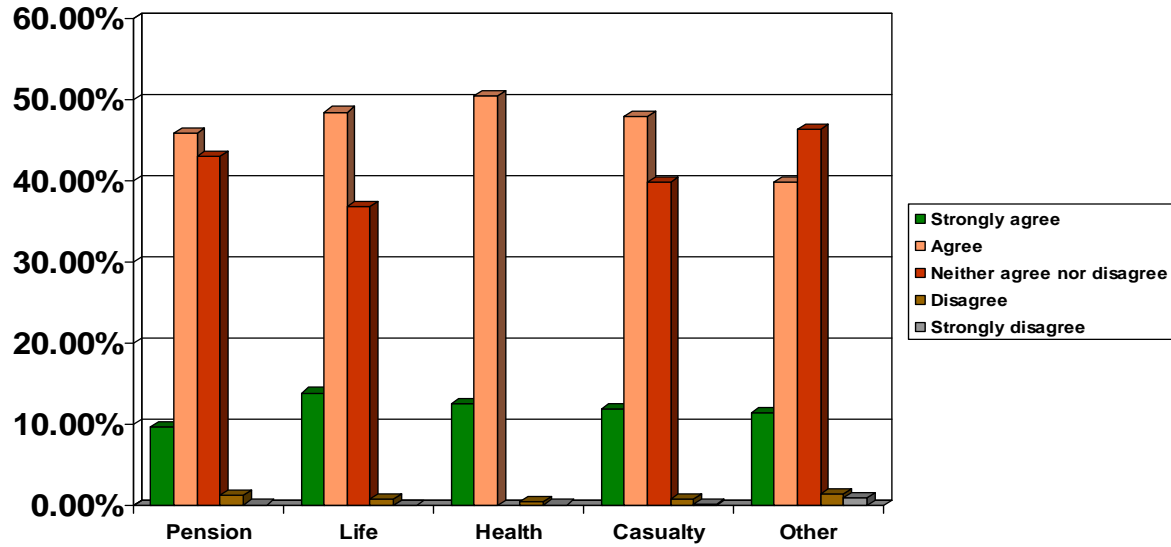
Younger respondents had a dominant response of neutral with the under 30 segment at 57.3% and the 30-39 segment being ten points less at 47.3%. The age 70+ age band was neutral at 43.8% with the remaining age bands dominate response being agree.

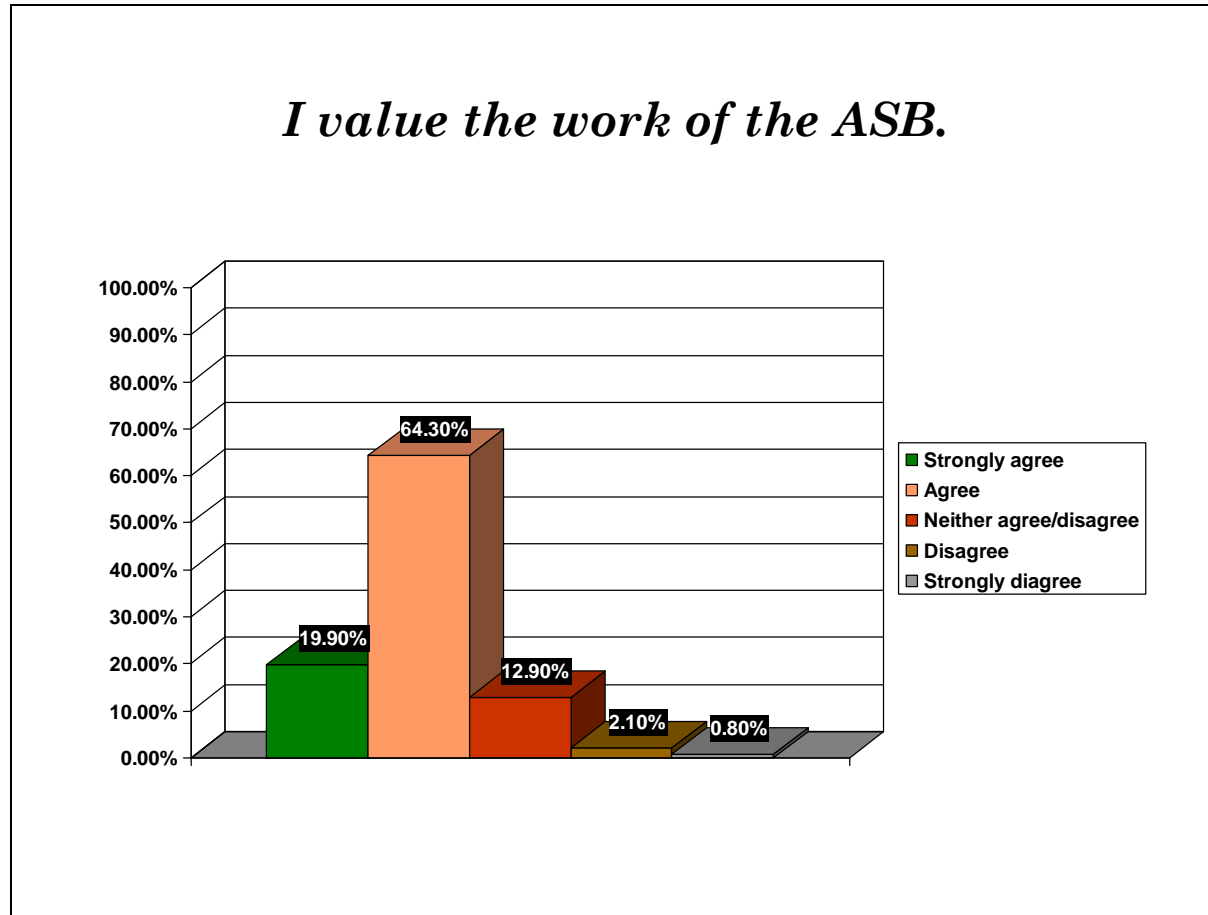
Once again those identifying themselves as “other” for a primary area of actuarial practice/interest defaulted to neutral rather than agree.

*The ASB has a rigorous protocol  
for the adoptions of ASOPs.*



*The ASB has a rigorous protocol  
for the adoptions of ASOPs.*

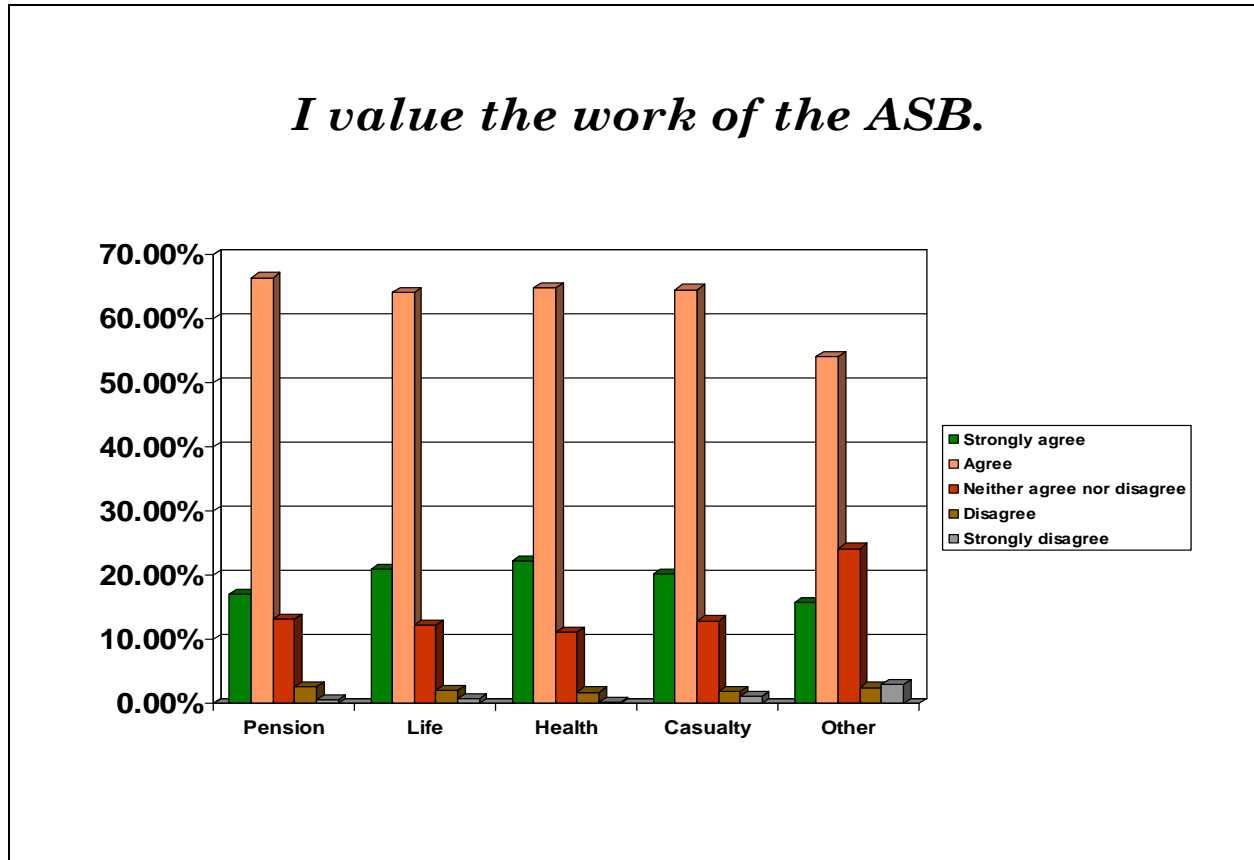


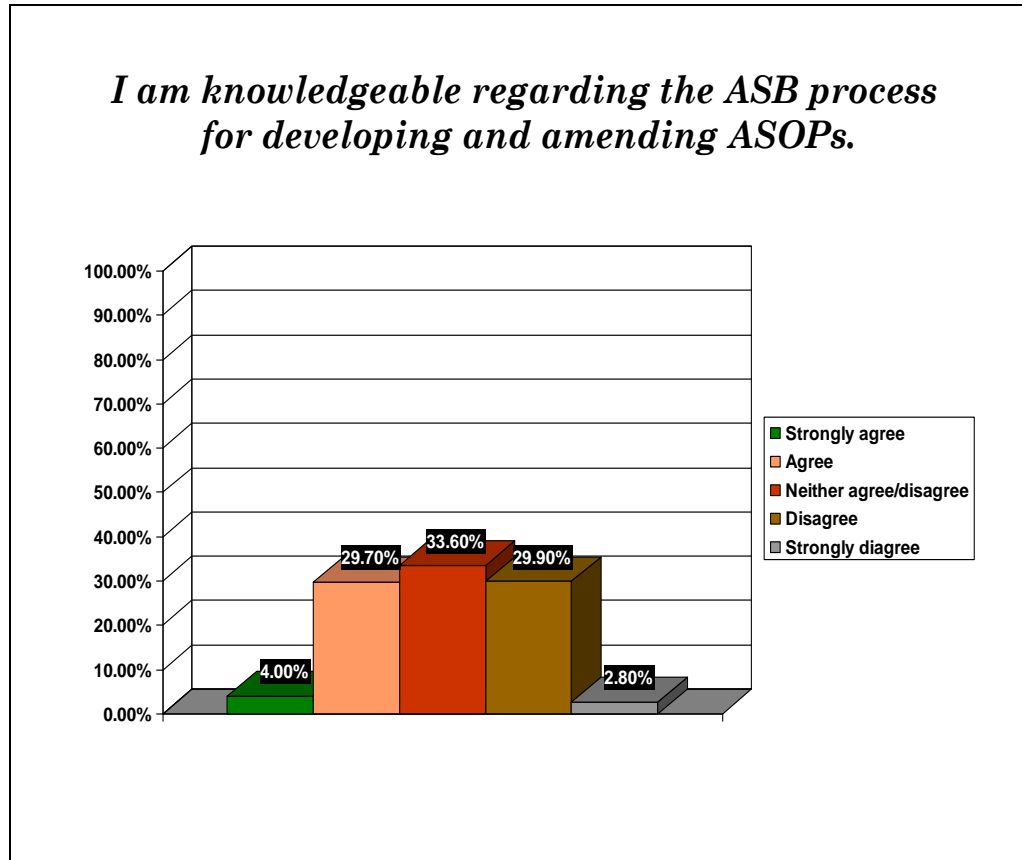


***I Value the Work of the ASB***

Over three quarters of those members responding to the survey agreed with the question with strongly agree at 19.9% and 64.03% indicating agree. The member reporting segments selected for further examination tracked with the overall responses. For the primary area of actuarial practice/interest, all segments track with the overall response of 'agree' with the exception of 'other' who responded at 54%.





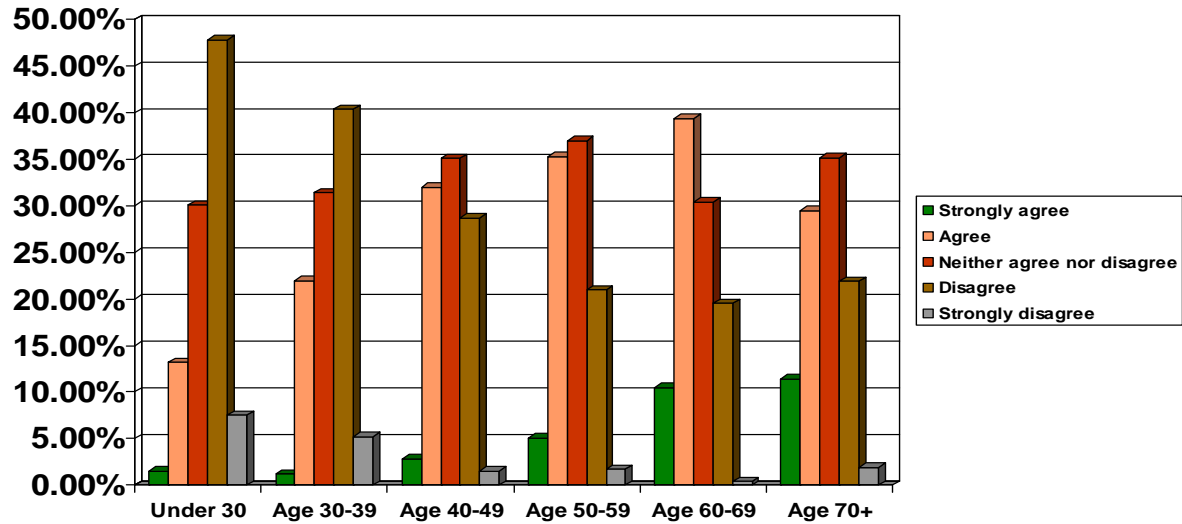


***I am Knowledgeable Regarding the ASB Process for Developing and Amending ASOPs***

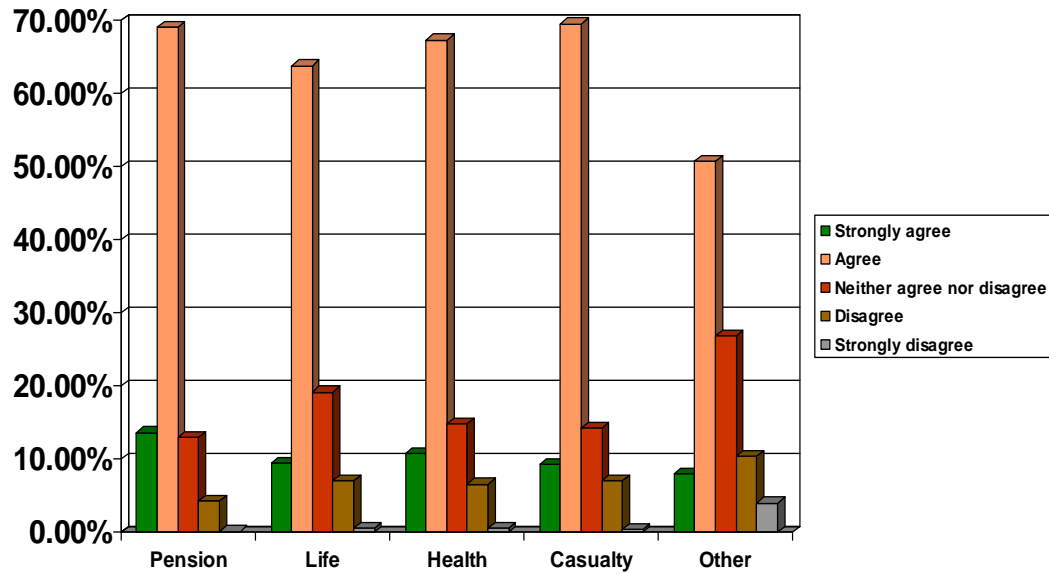
The overall response was varied with 29.7% of members citing ‘agree’, 33.6% responding ‘neither agree nor disagree’ and 28.90% indicating a ‘disagree’ response.

By age band we see those under 30 and ages 30-39 with disagree responses of 47.8% and 40.4% respectively. For age 70+ the responses is neutral (35.2%) as well as for those age 40-49 (35.1%) and those in the 50-59 segment being 37.0%. Only the age 60-69 (39.4%) agree. This may be reflective of the level of experience in the profession or engagement with the organization. In examining the ‘other’ area or practice/interest varies from the other segments. For those who have submitted comments, 44.5% agreed with those not submitting comments expressing neutrality at 34.6%.

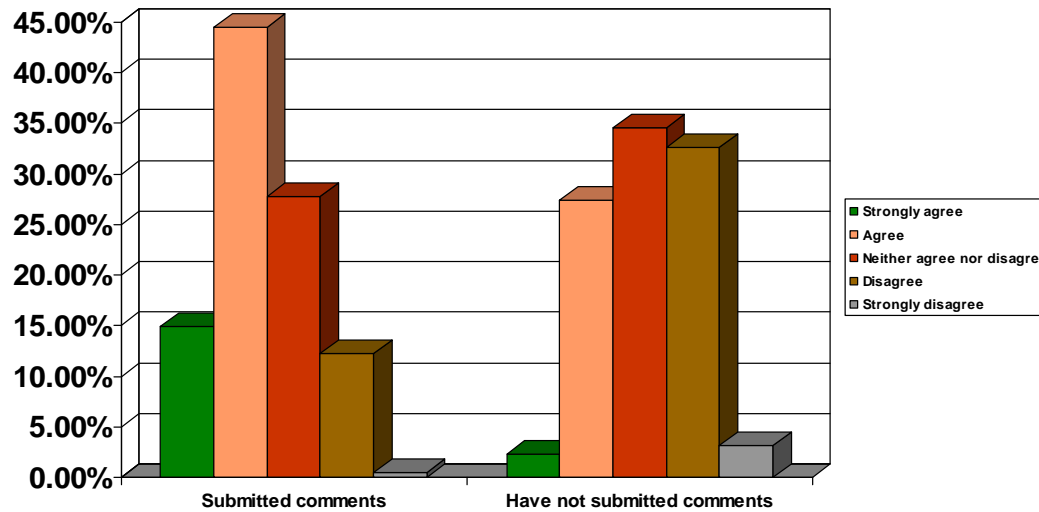
*I am knowledgeable regarding the ASB process for developing and amending ASOPs.*

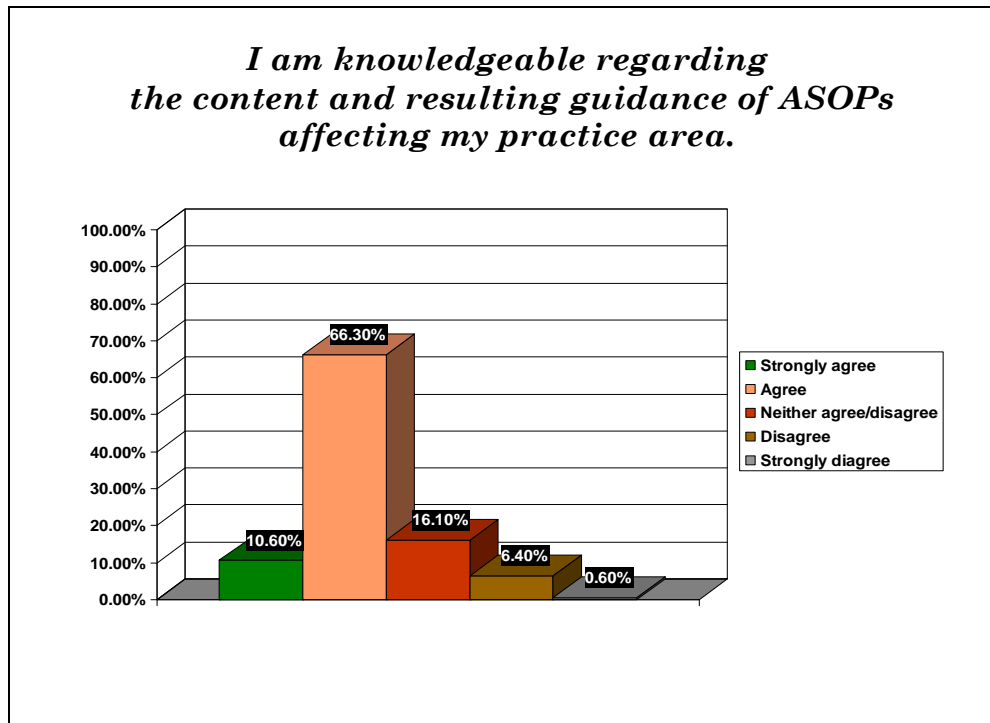


*I am knowledgeable regarding the ASB process for developing and amending ASOPs.*



*I am knowledgeable regarding the ASB process for developing and amending ASOPS*

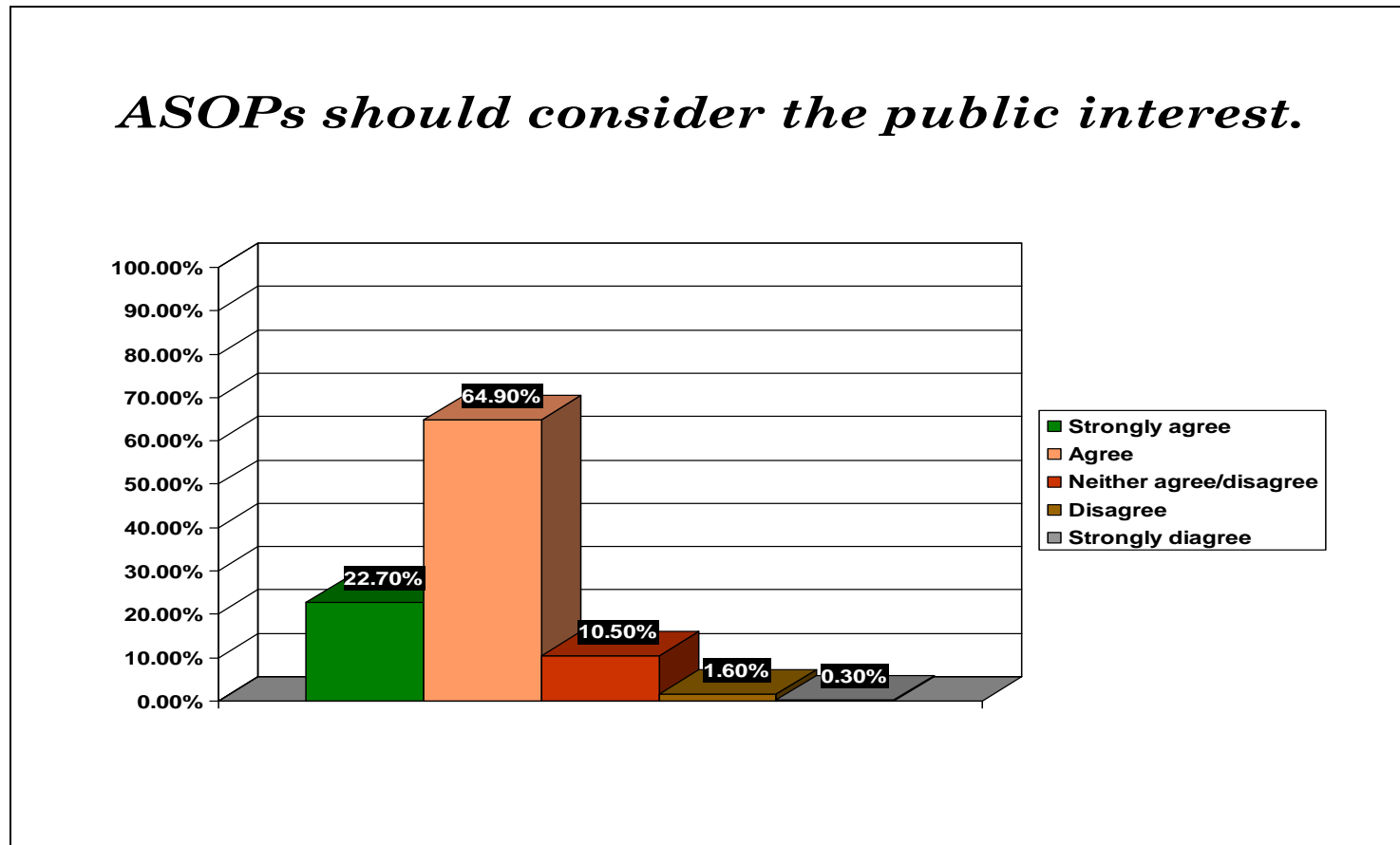




***Knowledgeable Regarding Content and Resulting Guidance of ASOPs in Area of Practice/Interest***

Overall, the dominant response by far was 'agree' at 66.3%. All of the other responses received scores under sixteen percentage points.

There were no significant differences by age band or whether or not the respondent had or had not submitted comments. In the examining area of practice/interest, actuaries defining themselves as 'other' is less likely to agree (50.7% as opposed to 66.3%).



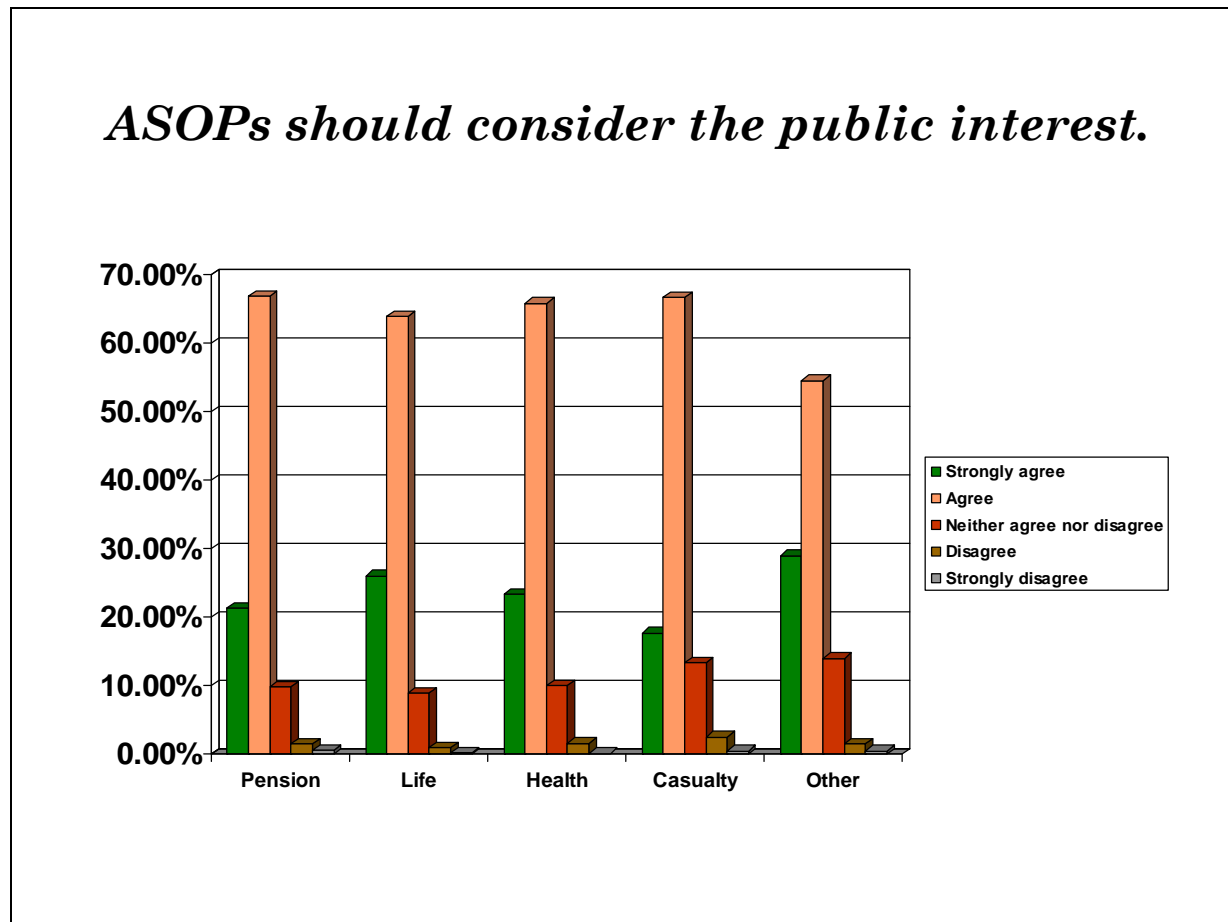
***ASOPs Should Consider the Public Interest***

There was a strong level of agreement with this statement. The top-two box score was 87.6%; with the ‘strongly agree’ response of 22.7% and an ‘agree’ response of 64.9%.

All age bands reflected a dominant response of ‘agree’. The same applied to the area of practice/interest, though the ‘other’ respondents were less likely ‘agree’ (54.5%), and pension actuaries being the most likely to ‘agree’ at 66.8%.

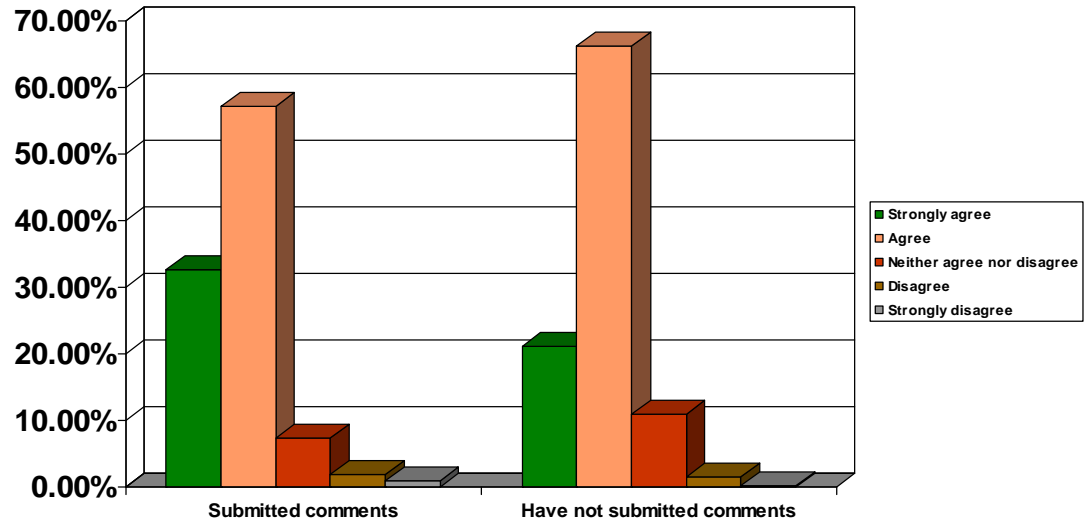
ATTACHMENT 10A (PART 2)

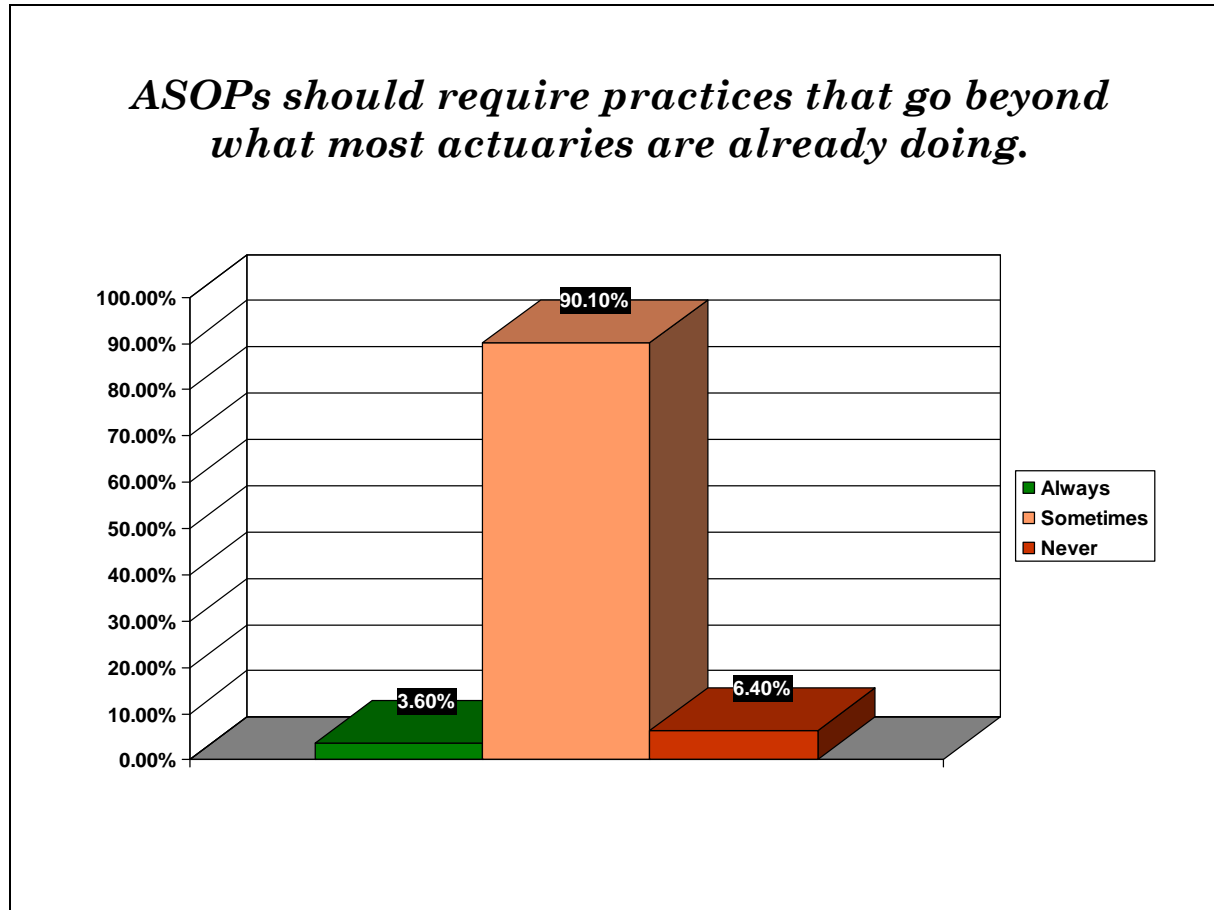
An interesting phenomenon occurred in looking at those who have submitted comments versus those who had not. While agree remains the dominant response for both segments, those who have submitted comments are less positive when compared to the overall in their level of agreement. Those who have submitted comments 'agreed' 57.1% of the time versus an overall 'agree' level of 64.9%. Those who had not submitted comments 'agreed' at a level of 66.2% to the overall total of 64.9%.





*ASOPs should consider the public interest.*



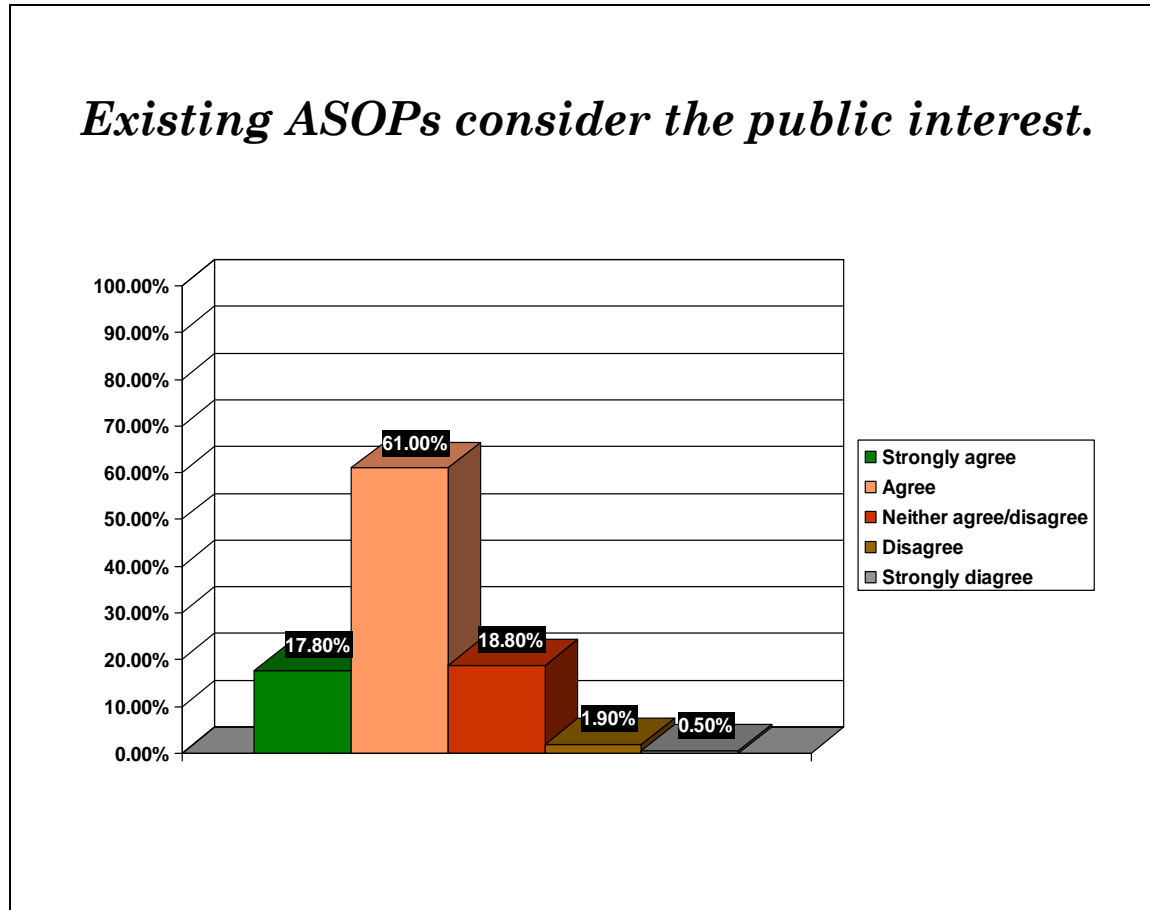


***ASOPs Should Require Practices Go beyond What Most Actuaries are already Doing***

This question digressed from the use of the five-point scale. Respondents were given the response choice of always, sometimes and never. As could be expected, the neutral response of ‘sometimes’ was the overwhelming choice (90.1%).

There is no significant difference in examining respondents by age band or area of practice/interest. In examining the respondents who had submitted comments, they are slightly less likely to provide the neutral response of ‘sometimes’ at 85.4%.

ATTACHMENT 10A (PART 2)

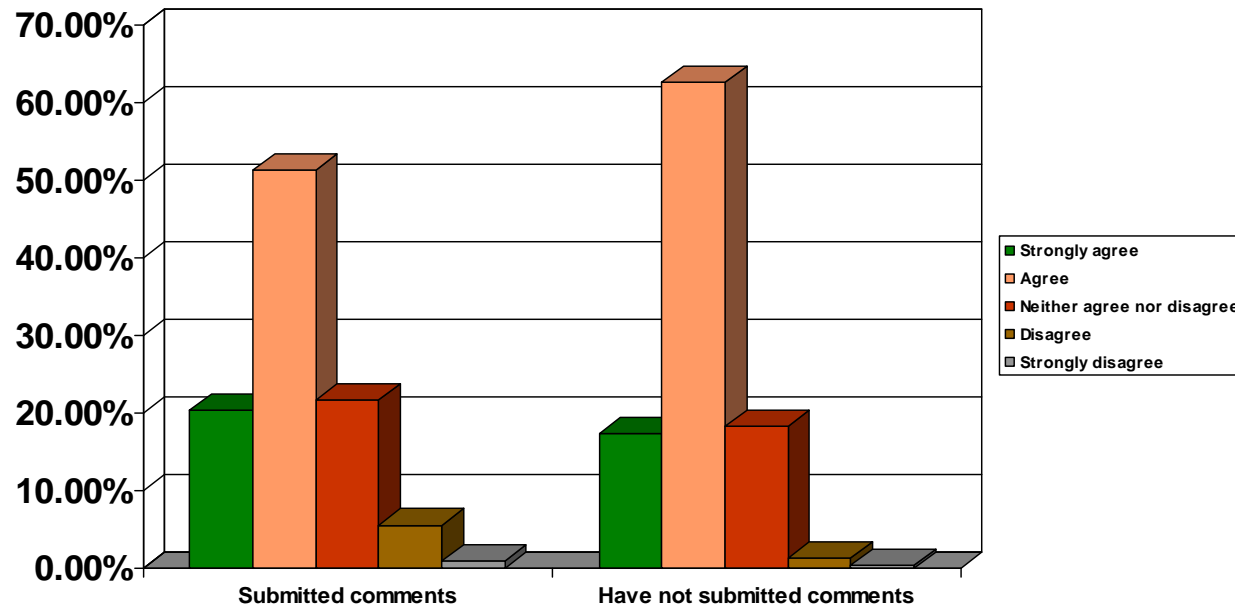


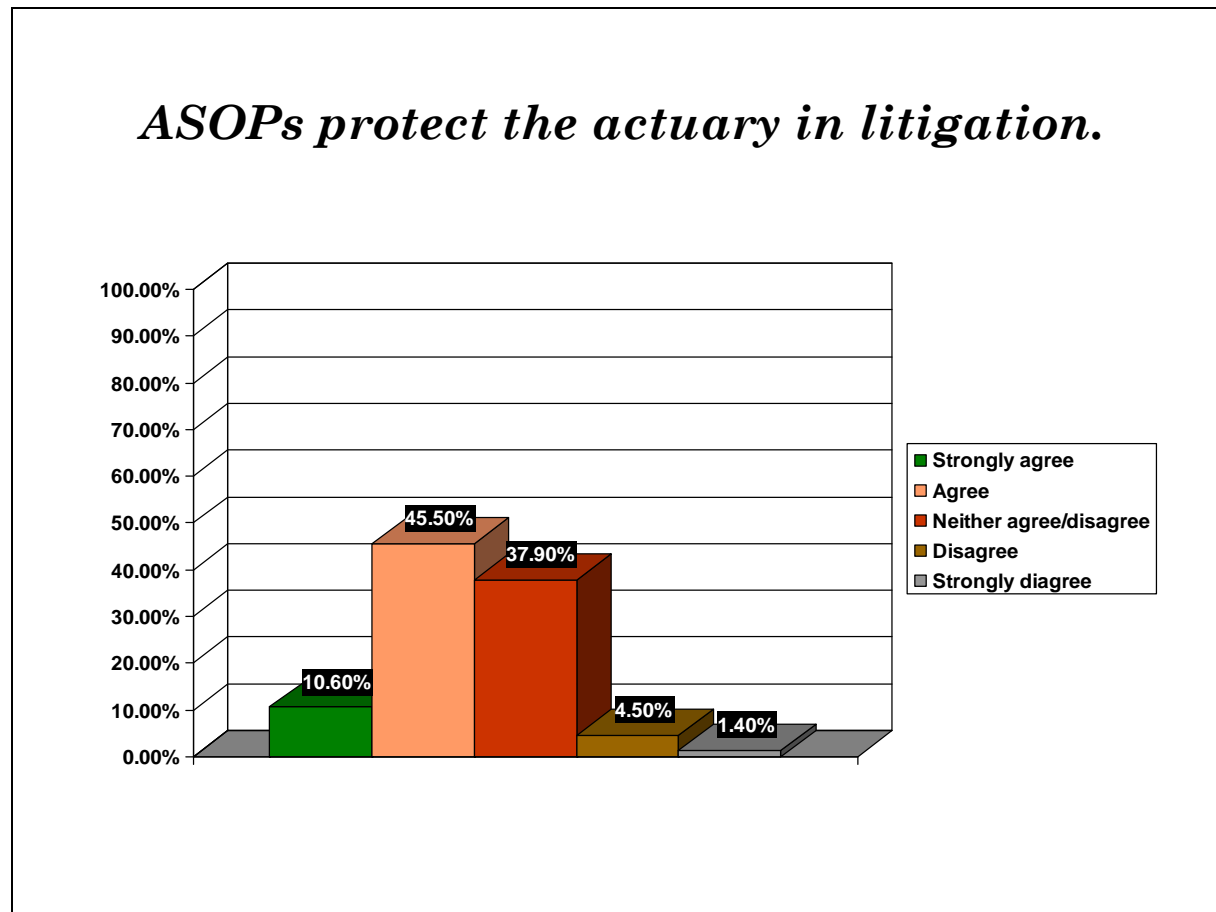
***ASOPs and the Public Interest***

'Agree' is the dominant response with 61% choosing this option overall.

There are no significant differences among age bands or areas of practice/interest. Those who have submitted comments are less likely to 'agree' with the statement at 51.3%.

*Existing ASOPs consider the public interest.*





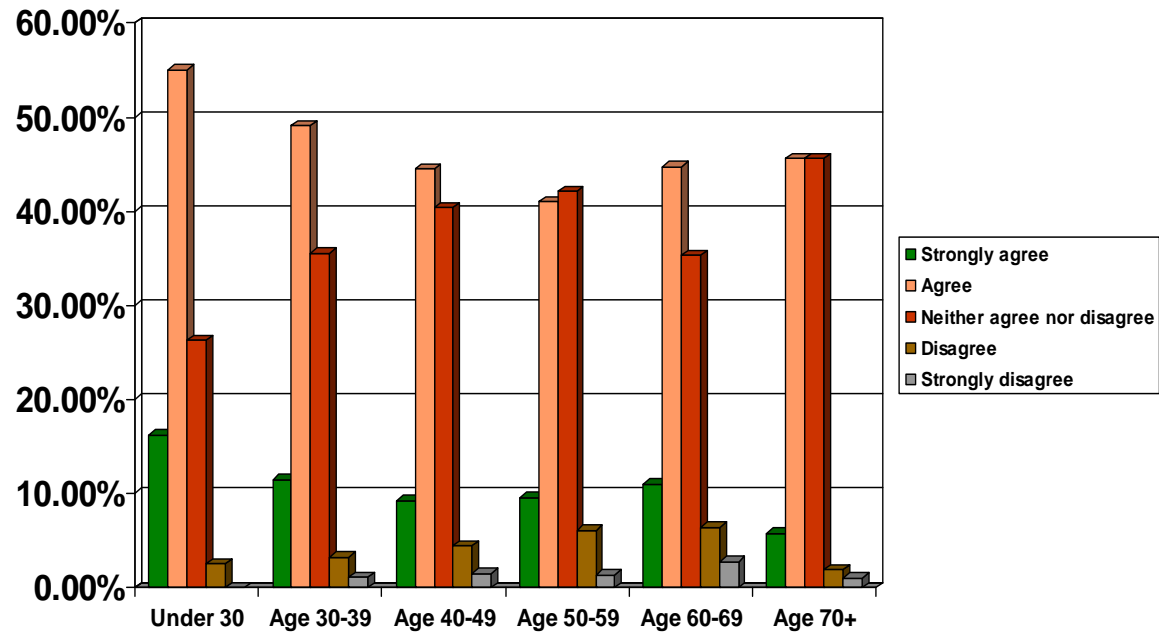
***ASOPs Protect the Actuary in Litigation***

Overall, the 'agree' response is dominant (45.5%). However the neutral response follows closely at 37.9%

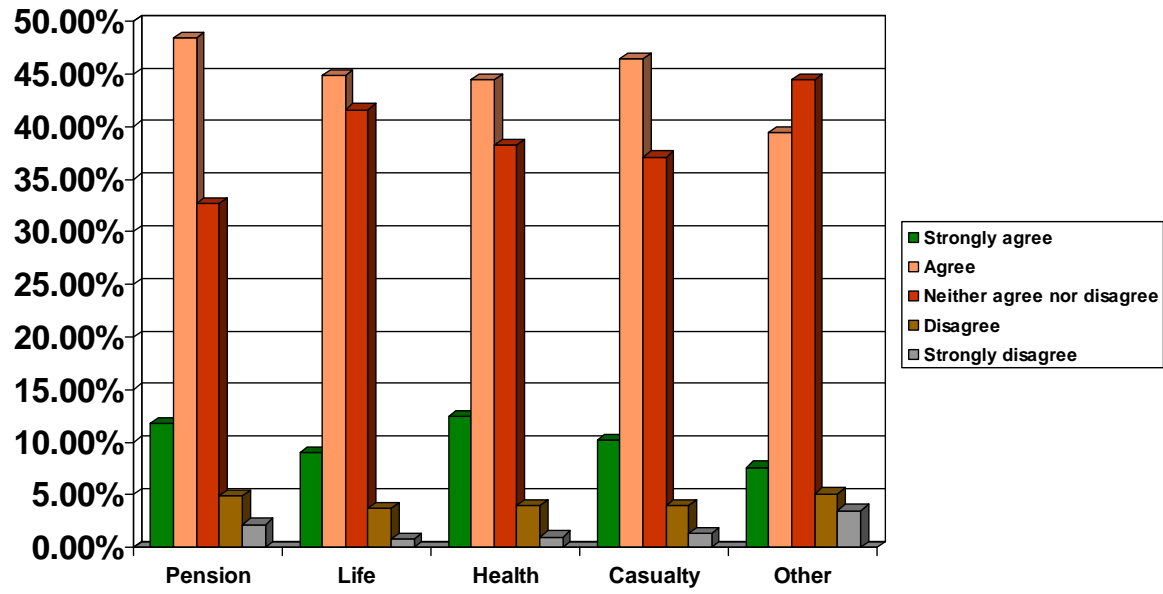
All of the age bands, except the 50-59 group, track the overall response pattern. In this age group, the 'neutral' response is dominant at 42.1%. The 'other' respondents in the area of practice/interest have a dominant response of 'neutral' at 44.1%.

In examining responses by whether the individual had or had not submitted comments, those who have submitted comments offered a neutral response of 39.1%. Those who had not submitted comments had a dominant response of 'agree' at 46.9%.

*ASOPs protect the actuary in litigation.*

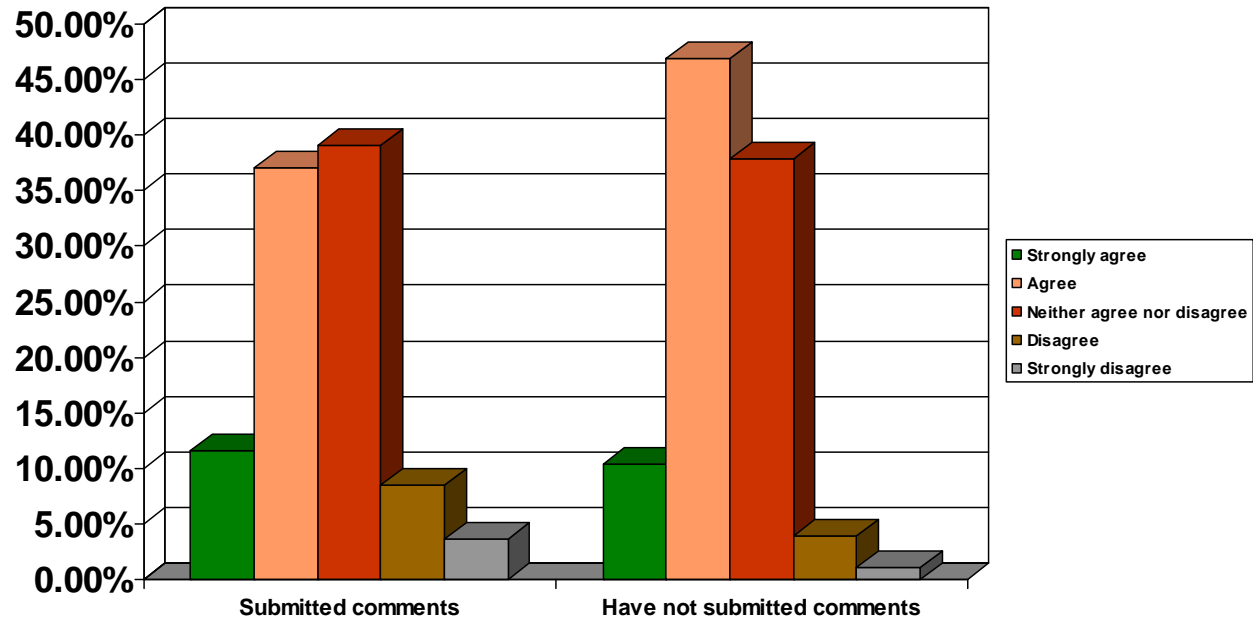


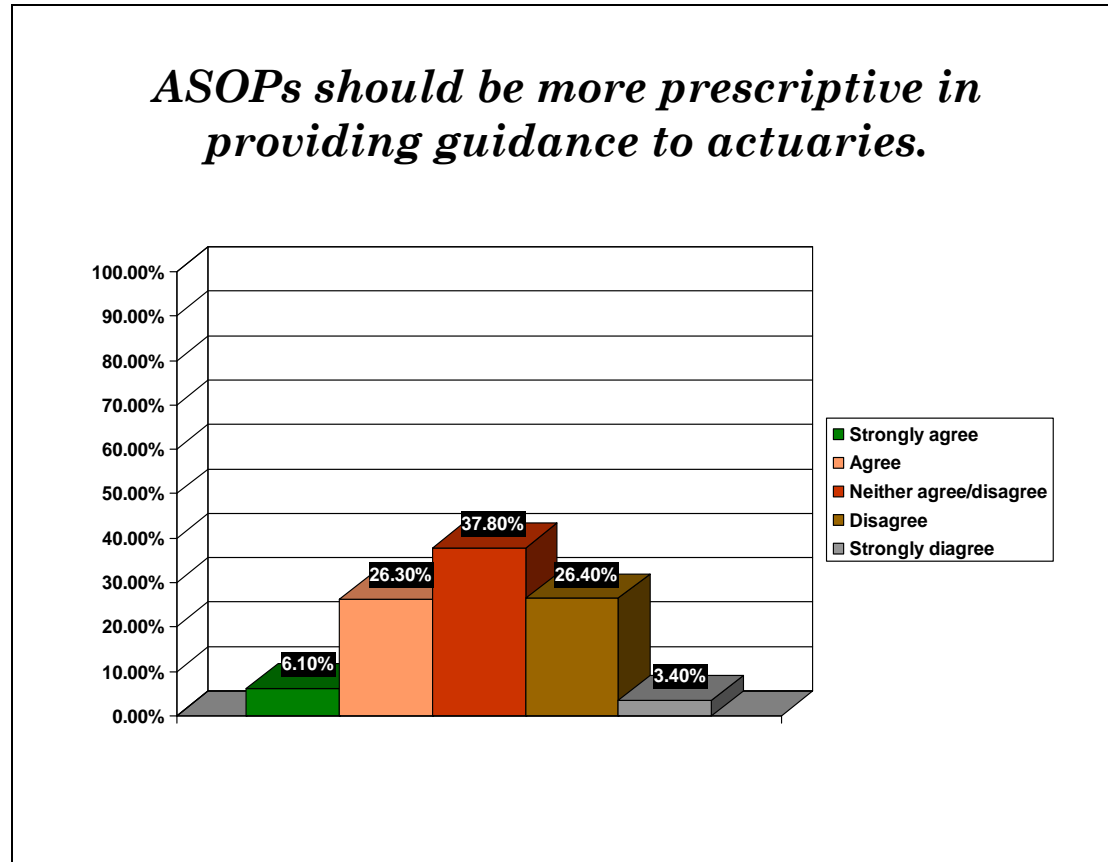
### *ASOPs protect the actuary in litigation.*





## *ASOPs protect the actuary in litigation.*





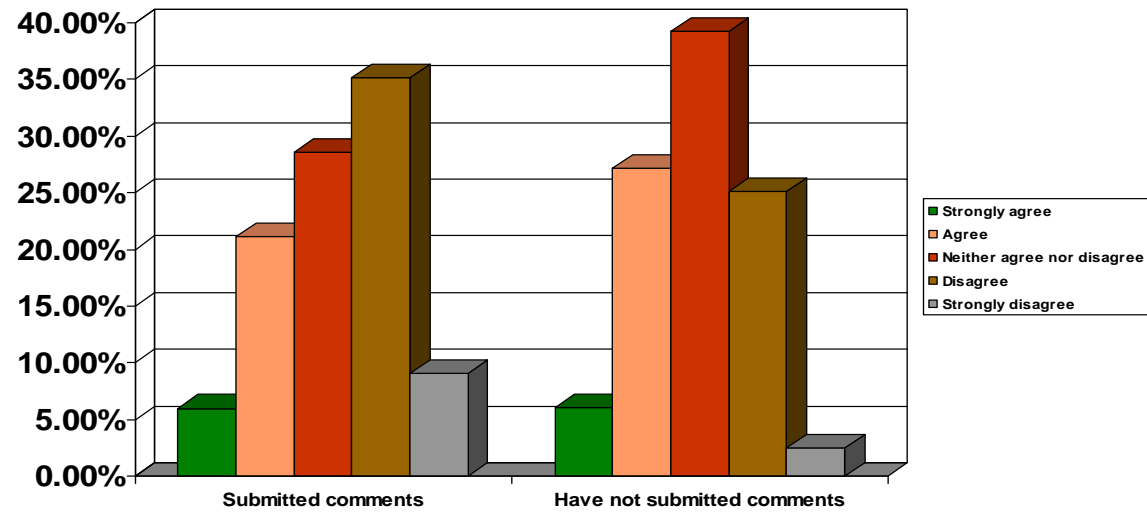
***ASOPs Should be More Prescriptive in Providing Guidance***

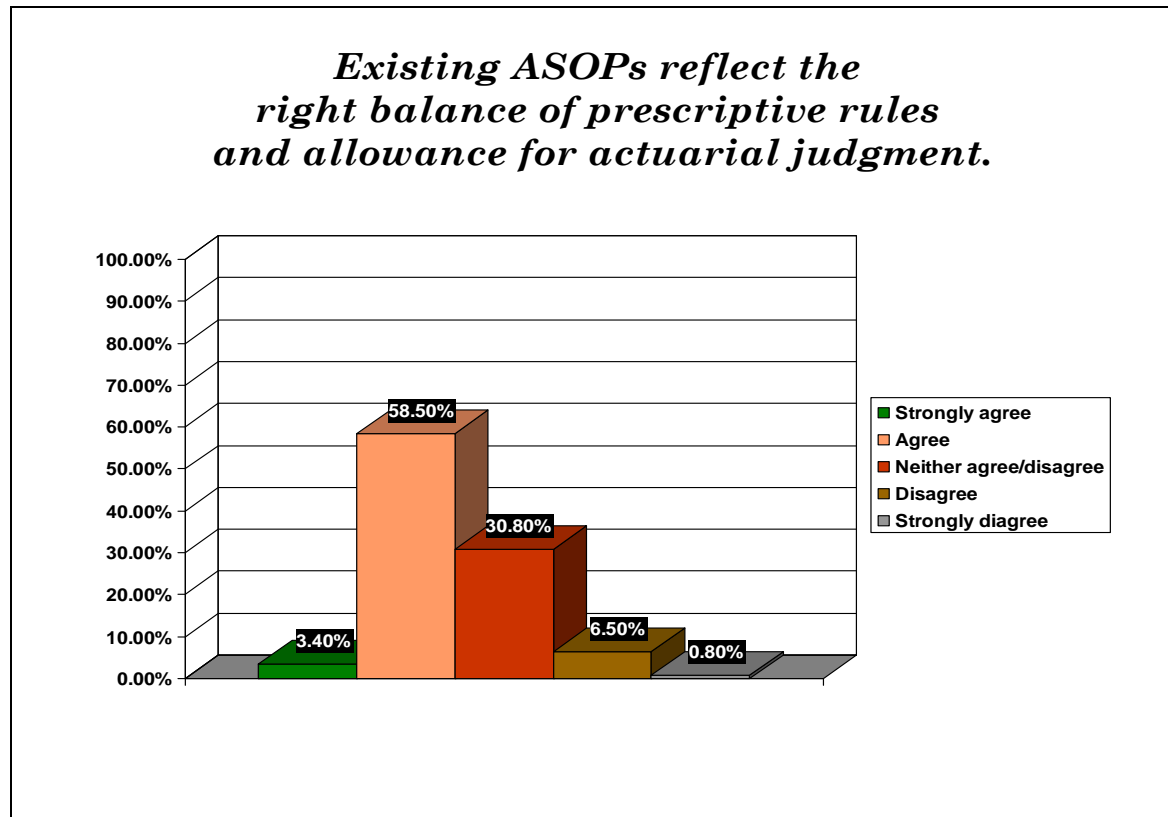
Responses to this statement are the closest to a normal distribution of any in the survey:

There are no significant differences when examining age or area or practice/interest.

The dominant response of those who submitted comments was 'disagree' at 35.1%. For those who had not submitted comments, the 'neutral' response was dominant at 39.2%

*ASOPs should be more prescriptive in providing guidance to actuaries.*





***ASOPs Have the Right Balance of Prescriptive Rules and Allowance for Actuarial Judgment***

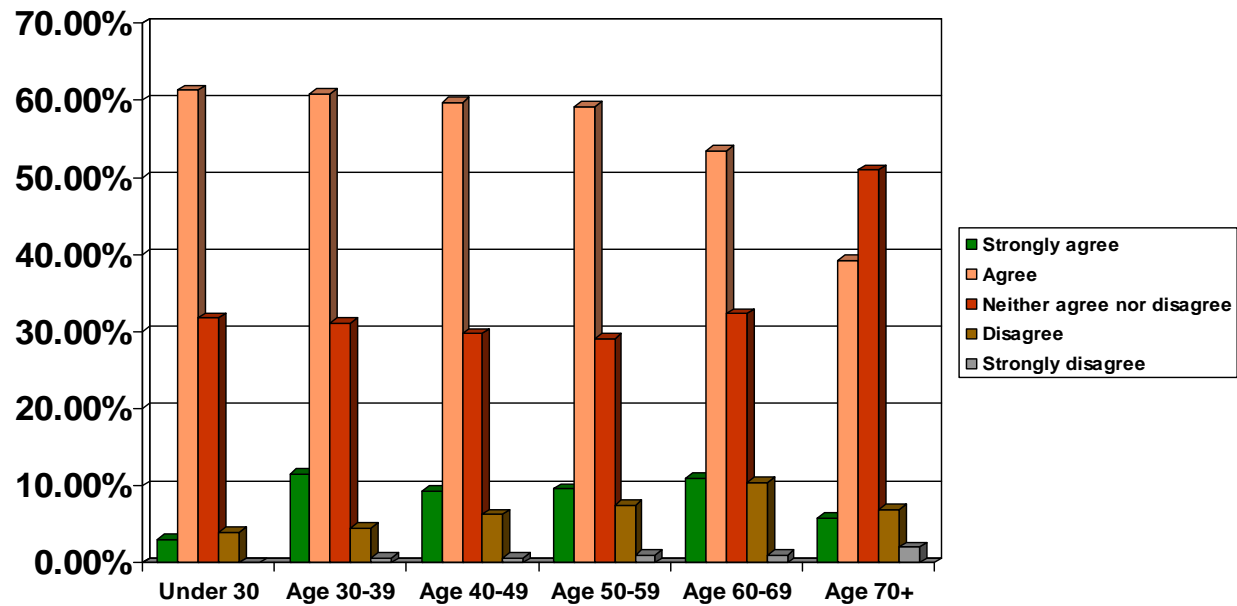
Overall the dominant response was ‘agree’ at 58.5%, followed by the ‘neutral’ response at 30.8%.

In examining results by age, the dominant response for those over age 70 is ‘neutral’ at 51%. In all other age bands the dominant response was ‘agree’.

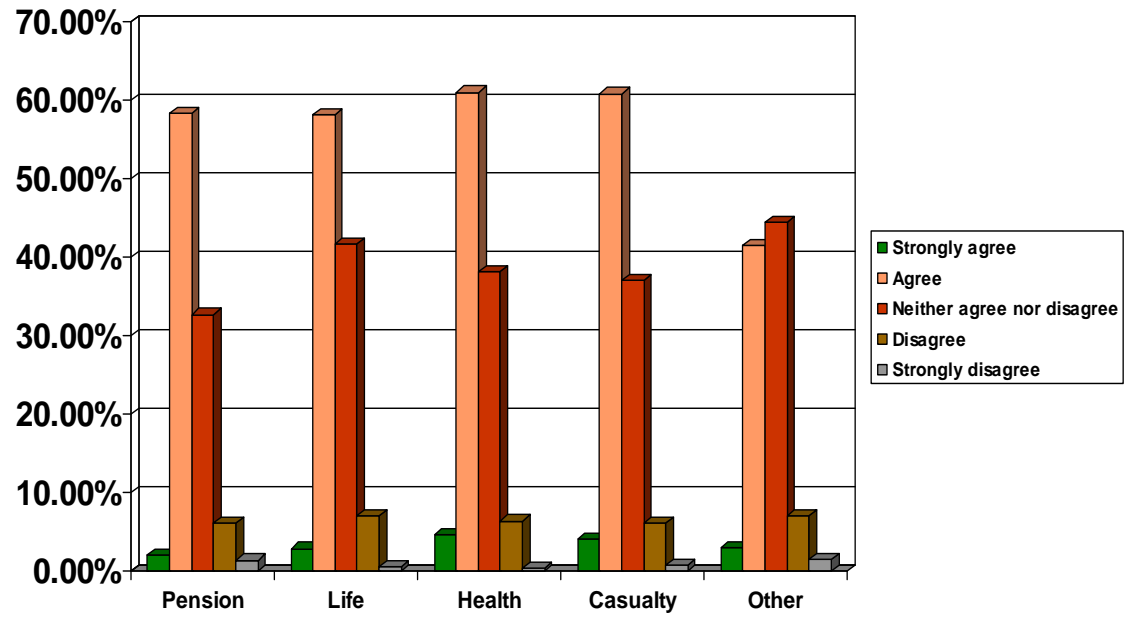
The dominant response for ‘other’ area of practice/interest was neither agree nor disagree (47.0%).

No significant difference was observed between those had submitted comments and those who had not.

*Existing ASOPs reflect the right balance of prescriptive rules and allowance for actuarial judgment.*



*Existing ASOPs reflect the right balance of prescriptive rules and allowance for actuarial judgment.*





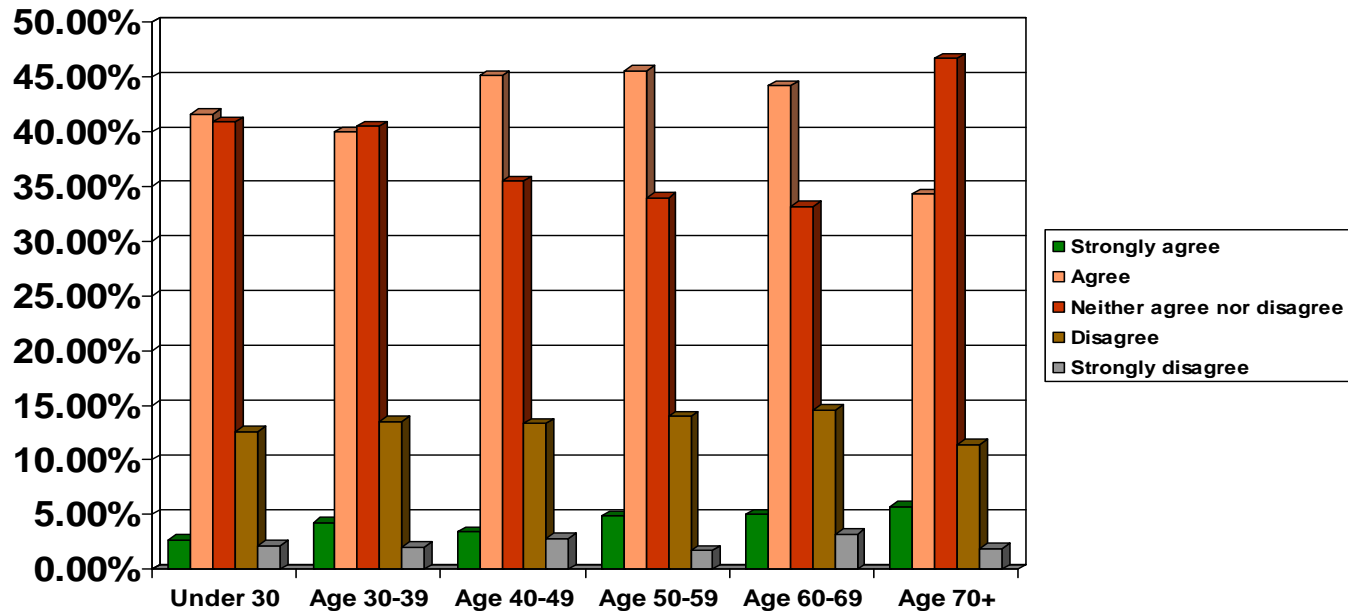
***It Is Part of My Professional Responsibilities to Comment on Exposure Drafts Relevant to my Area of Practice/ Interest***

The overall dominant response to the question was agree (43.20%) followed by neither agree nor disagree at 36.70%. That neutral response was augmented by a disagree response of 13.60%

In looking at age band segment response to this question, all age segments with the exception of 30-39 agreed with the exception of those 30-39 who neither agree nor disagree (40.5%). The 70+ age band also responded neutrality at 46.7%.

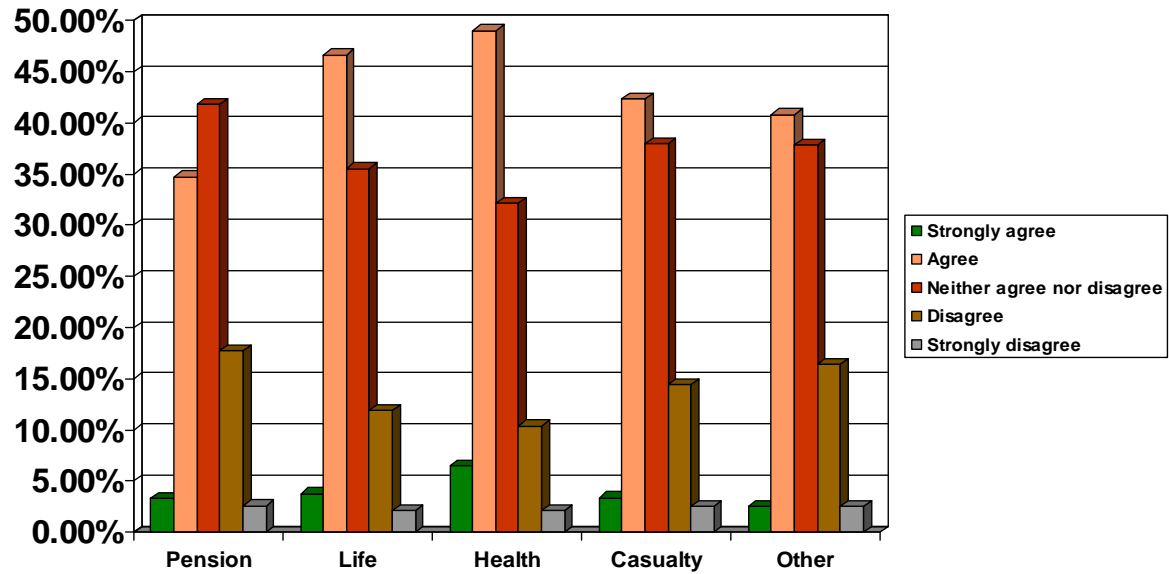
In examining area of actuarial/ practice interest, pension respondents were more likely to express a neutral response of 41.8%. For this question, those respondents who had never submitted comments varied from those who had not by 19% (**59.8%** vs. 40.8%).

*It is part of my professional responsibilities to comment on exposure drafts relevant to my area of practice/interest.*

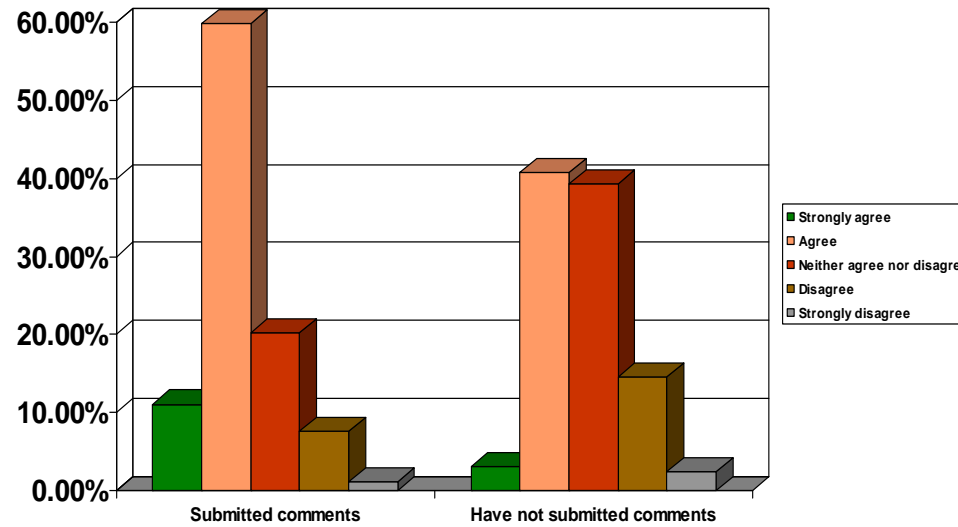


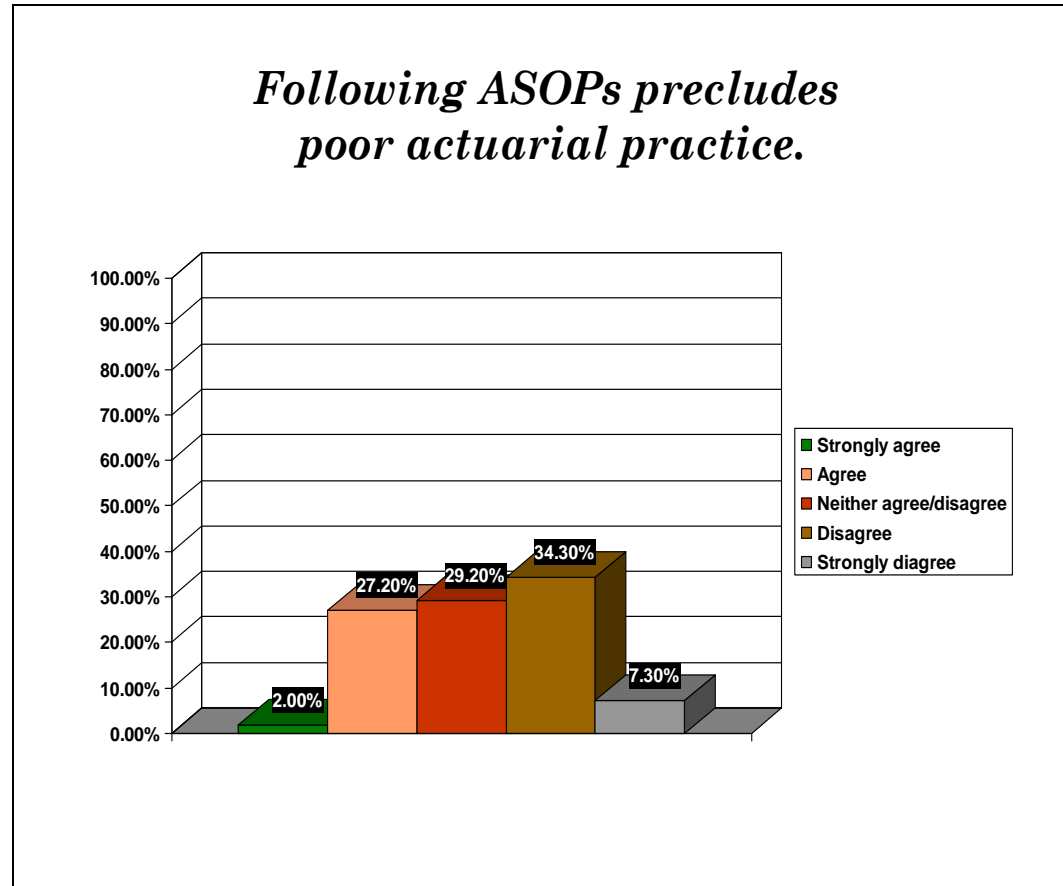


*It is part of my professional responsibilities to comment on exposure drafts relevant to my area of practice/interest.*



*It is part of my professional responsibilities to comment on exposure drafts relevant to my area of practice.*

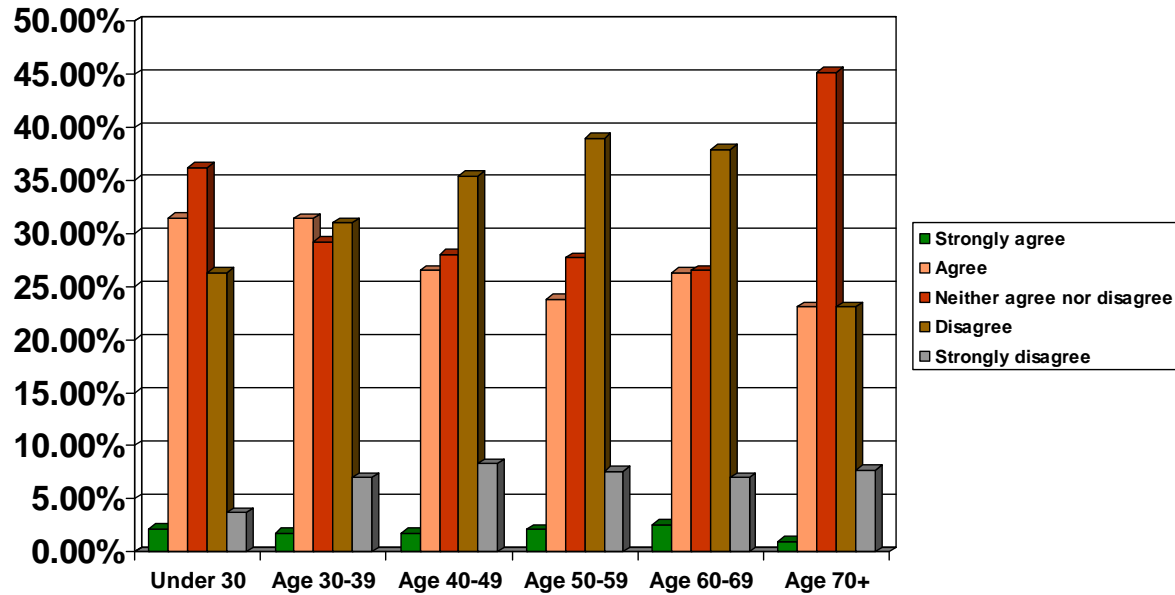




***Following ASOPs Precludes Poor Actuarial Practice***

The overall responses trended to disagree (34.30%), neutral at (29.2%) with agree being 27.2%. In addition it should be noted, that strongly disagree outpaced strongly agree by 5.30%.

*Following ASOPs precludes poor actuarial practice.*



Responses by age band were the most varied of any question in the survey:

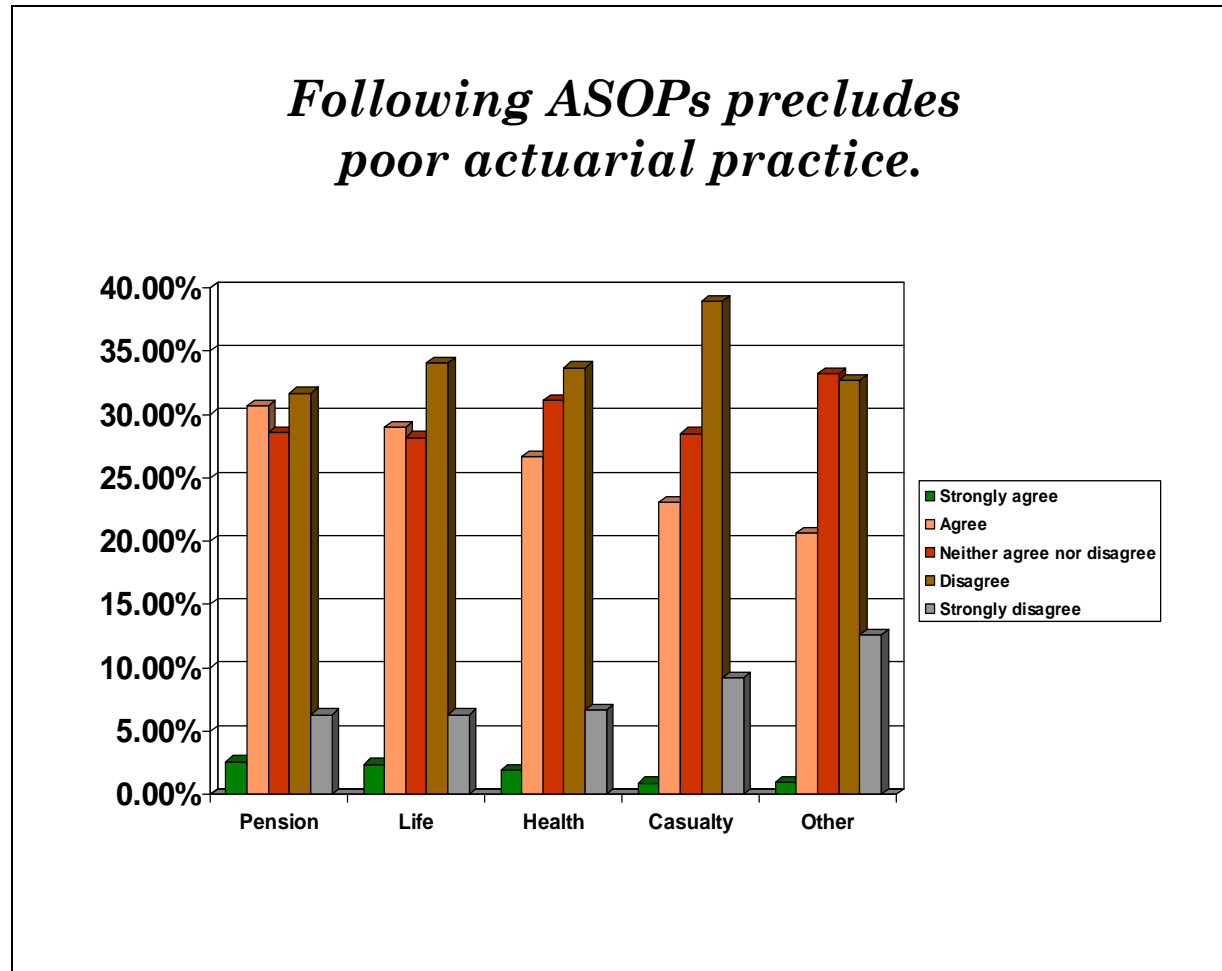
- Under 30                      Neither agree nor disagree      36.2%
- 30-39                              Agree                                      31.4%
- 40-49                              Disagree                                35.4%
- 50-59                              Disagree                                39.0%
- 60-69                              Disagree                                37.9%
- 70+                                 Neither agree nor disagree      45.2%

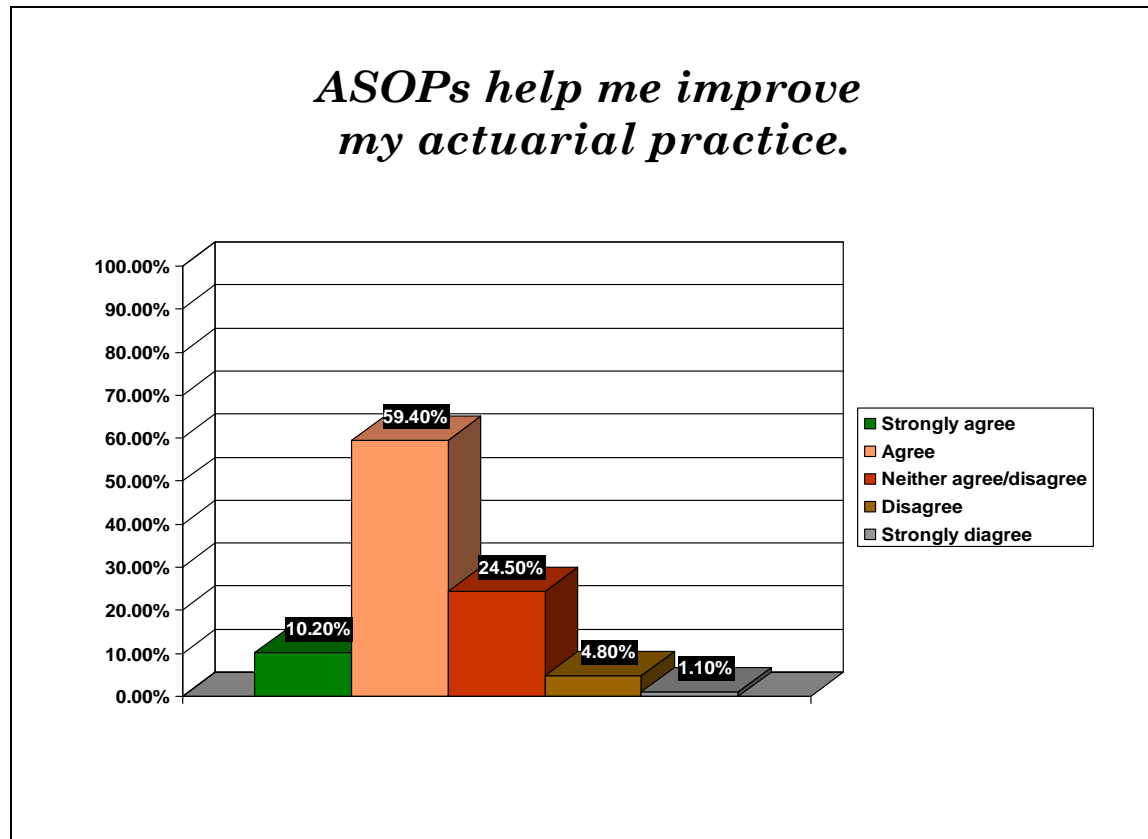
ATTACHMENT 10A (PART 3)

Once again the similarity between youngest age band and oldest age band appears.

As for primary area of actuarial practice/interest, those from “other” responded neither agree nor disagree at 33.2% as opposed to disagree from other practice area response segments.

Respondents submitting comments disagreed at 44.7%, while those not submitting were at 32.8%.





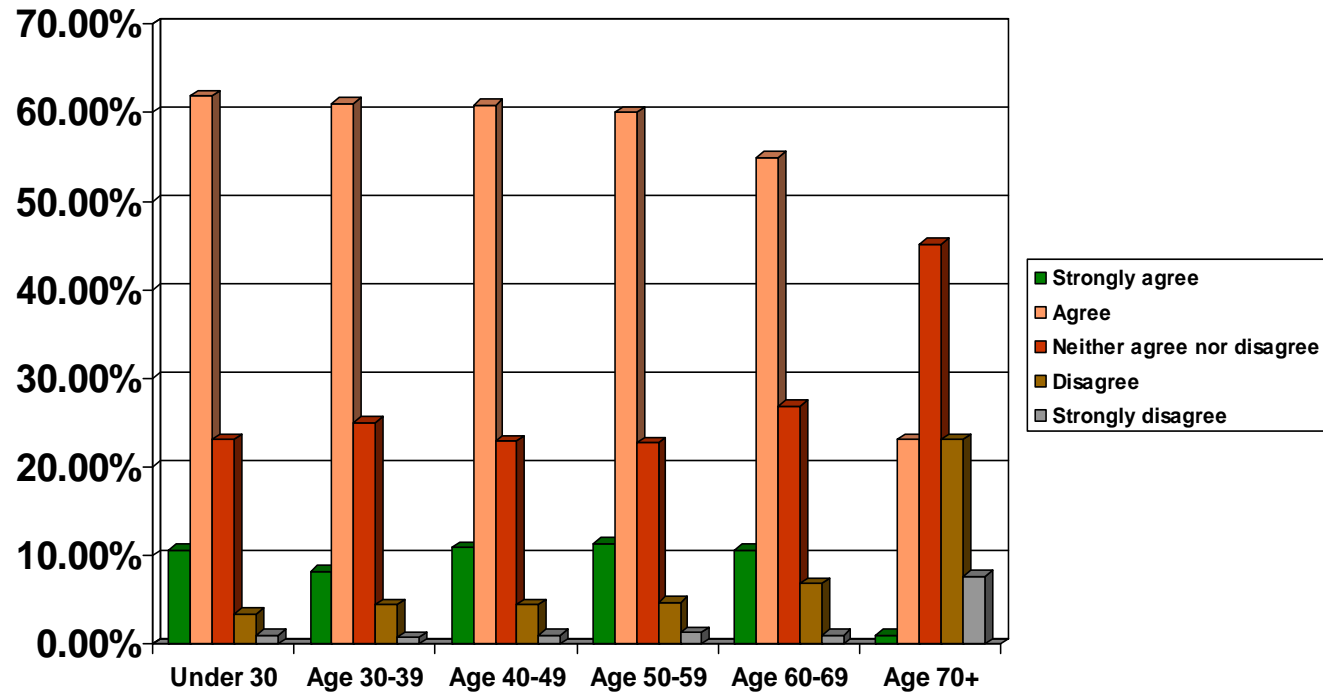
***ASOPS Help Me Improve My Actuarial Practice***

Two thirds of members responding to the question were in agreement with strongly agree being 10.2% and agree topping out at 59.4%. At the same time however, nearly a quarter expressed a neutral point of view (24.5%)

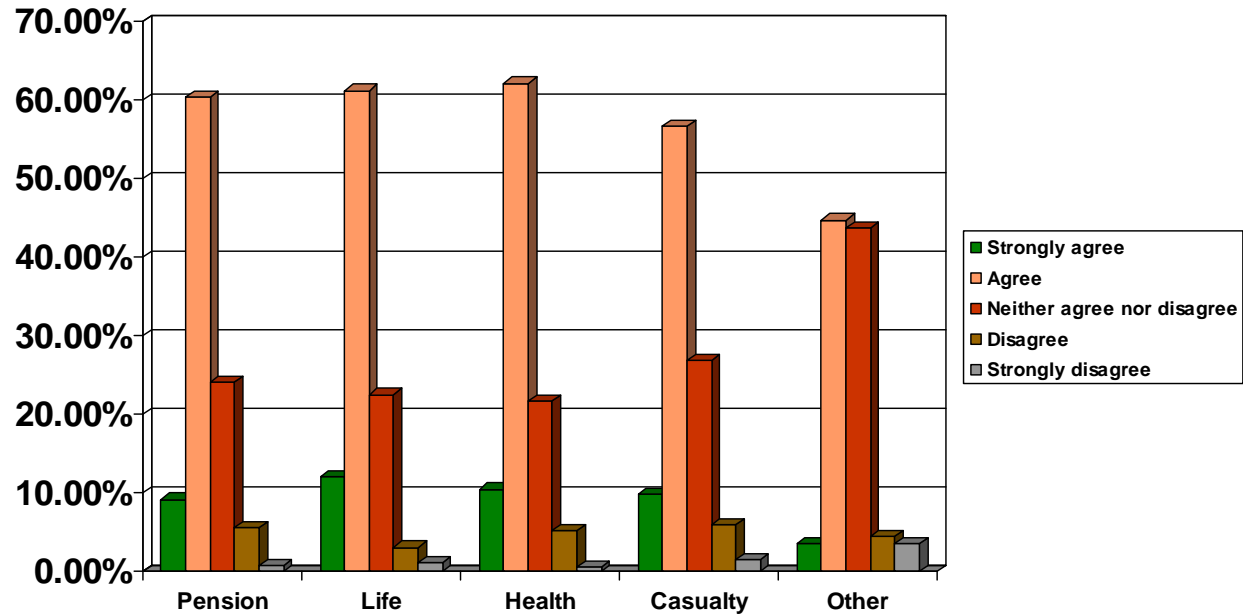
The neutral point of view (44.1%) was that of the age band 70+ respondents with the response totals for all other age bands being 60.1%. While all groups of primary area of actuarial practice/interest responded agree, it should be noted that the lowest percentage was with “other” at 44.7% with the highest being “health” at 62.1%.

Only at 0.03% difference separated those submitting comments (59.2%) from those not (59.5%).

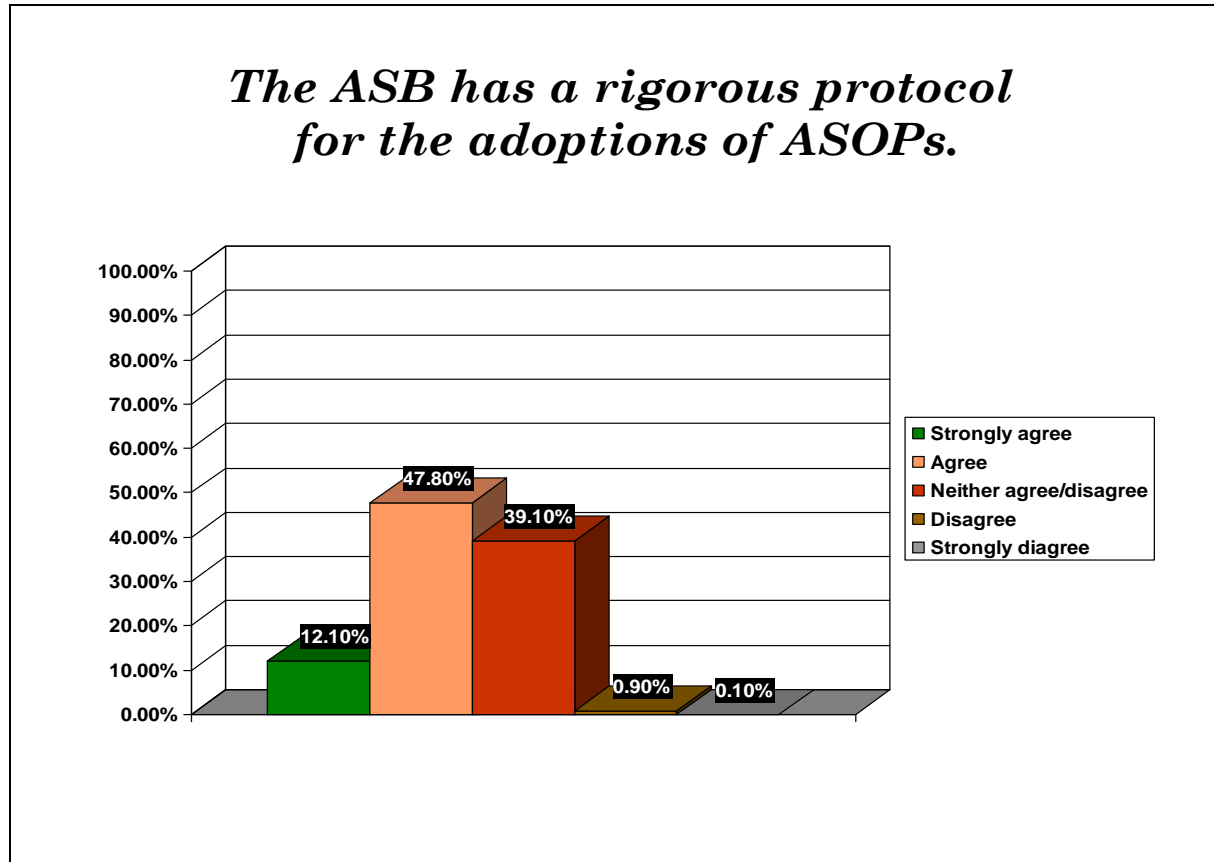
*ASOPs help me improve my actuarial practice.*



*ASOPs help me improve my actuarial practice.*







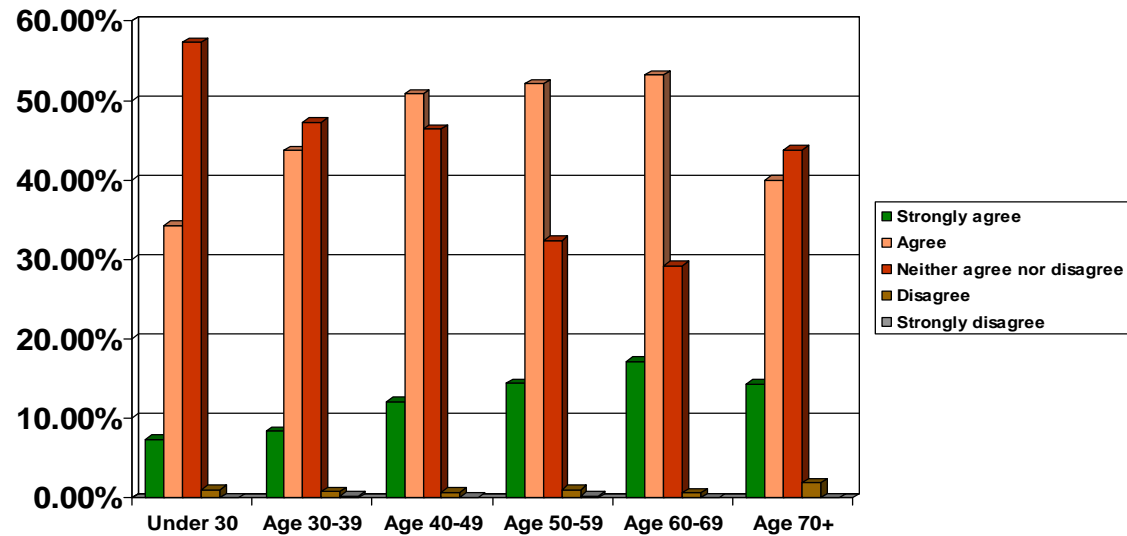
***The ASB Has a Rigorous Protocol for the Adoption of ASOPs***

An overall agree response of 47.8% was observed with the neither agree nor disagree response being 39.10%.

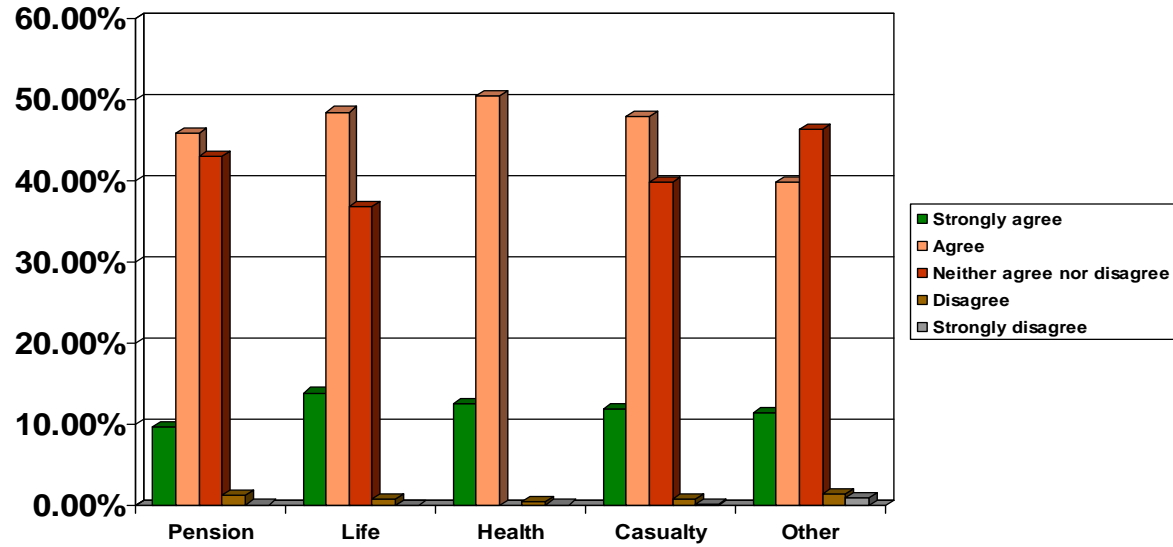
Younger respondents had a dominant response of neutral with the under 30 segment at 57.3% and the 30-39 segment being ten points less at 47.3%. The age 70+ age band was neutral at 43.8% with the remaining age bands dominate response being agree.

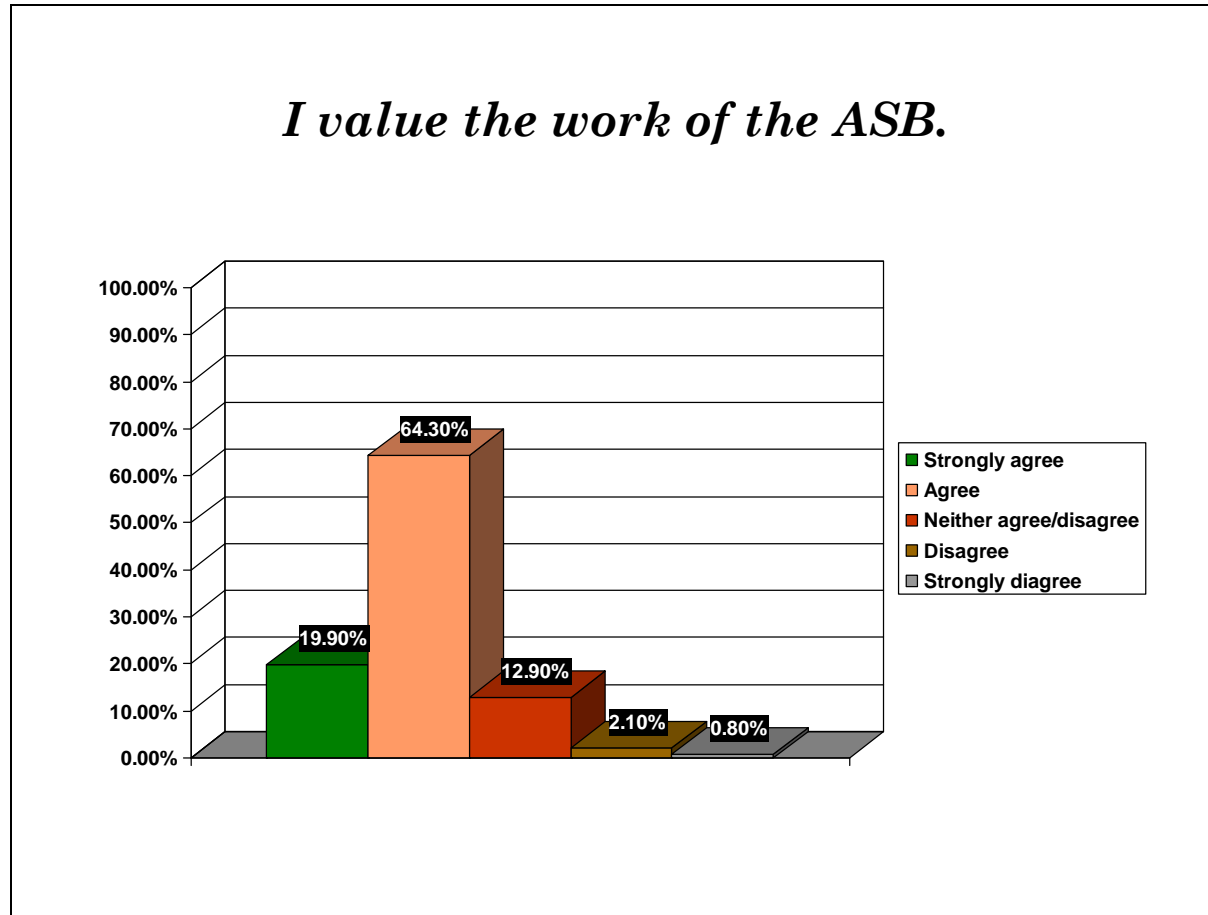
Once again those identifying themselves as “other” for a primary area of actuarial practice/interest defaulted to neutral rather than agree.

*The ASB has a rigorous protocol  
for the adoptions of ASOPs.*



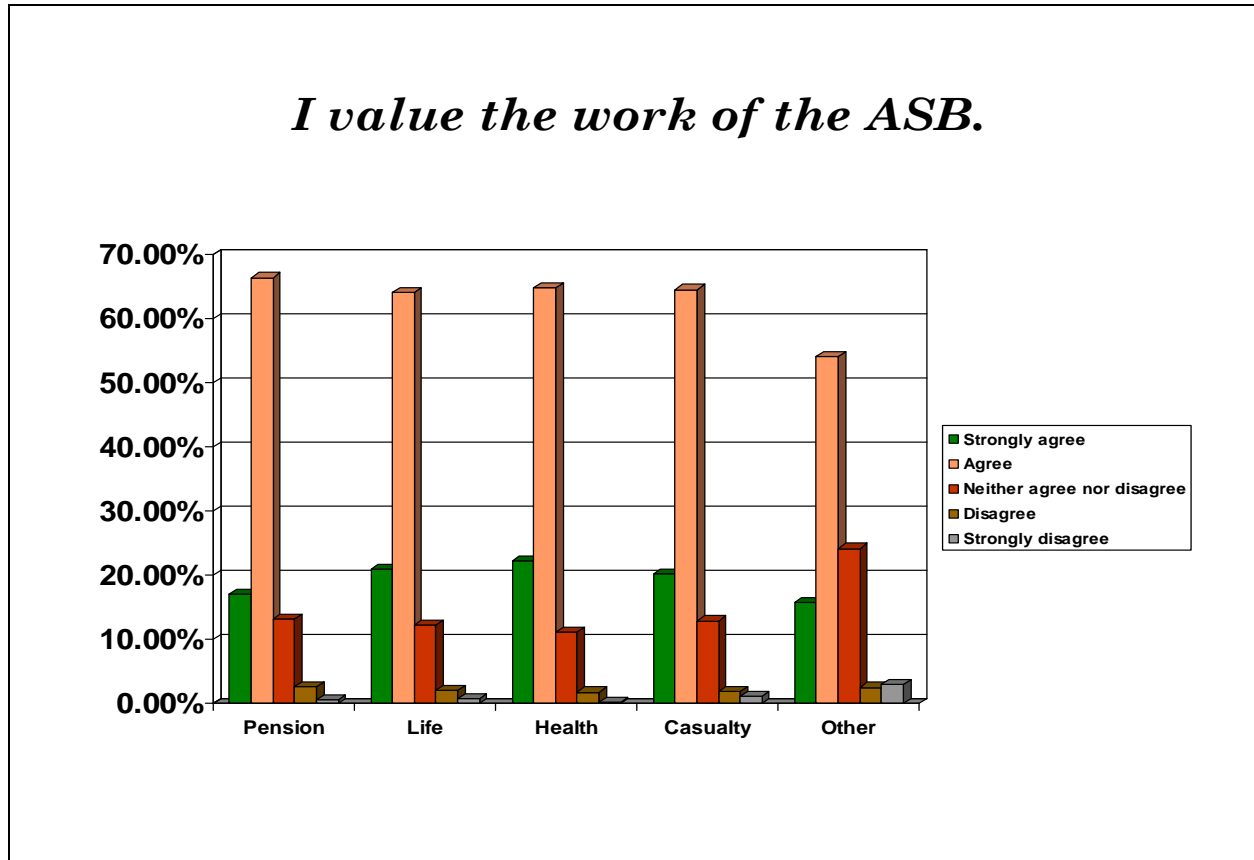
*The ASB has a rigorous protocol  
for the adoptions of ASOPs.*

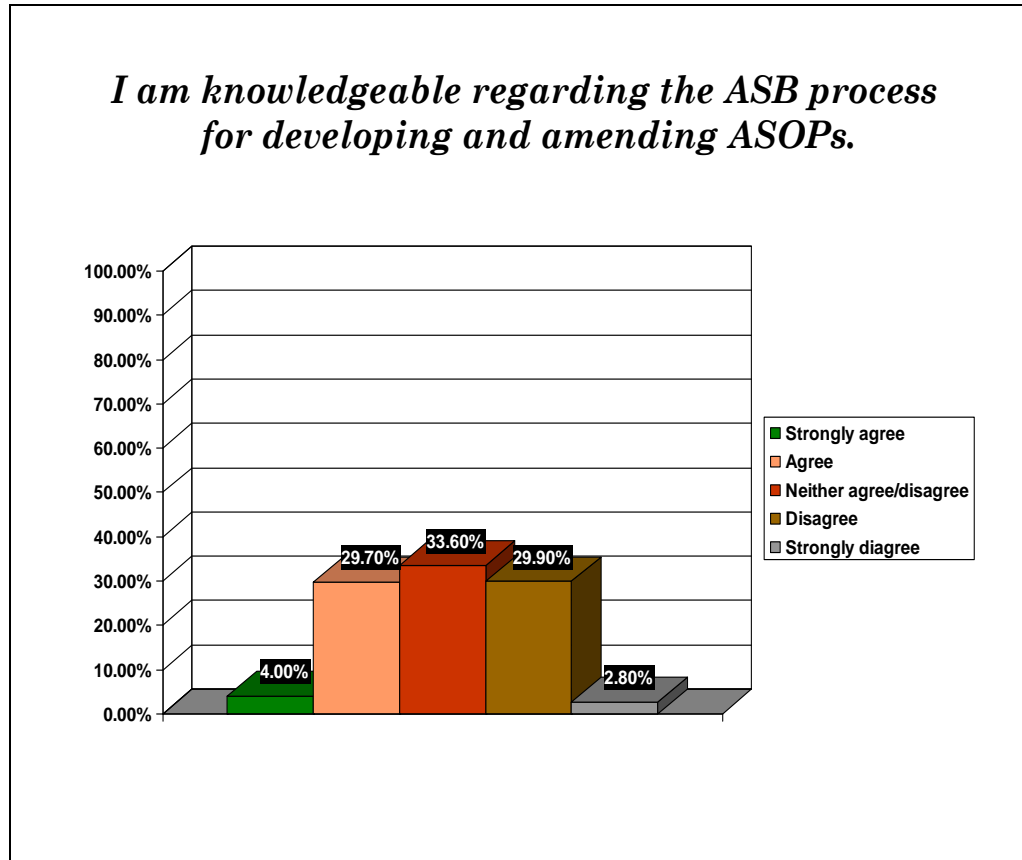




***I Value the Work of the ASB***

Over three quarters of those members responding to the survey agreed with the question with strongly agree at 19.9% and 64.03% indicating agree. The member reporting segments selected for further examination tracked with the overall responses. For the primary area of actuarial practice/interest, all segments track with the overall response of 'agree' with the exception of 'other' who responded at 54%.



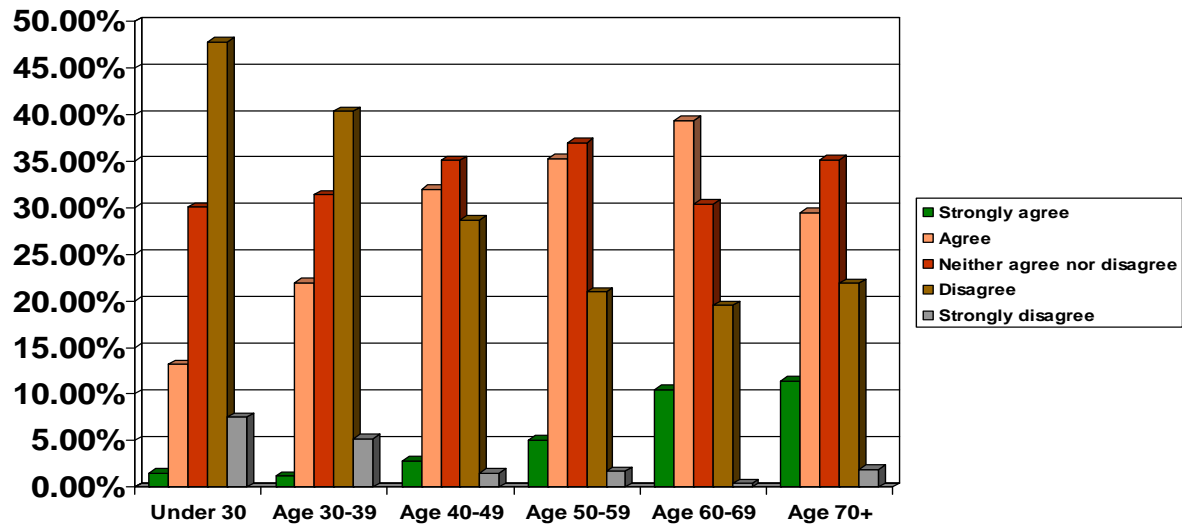


***I am Knowledgeable Regarding the ASB Process for Developing and Amending ASOPs***

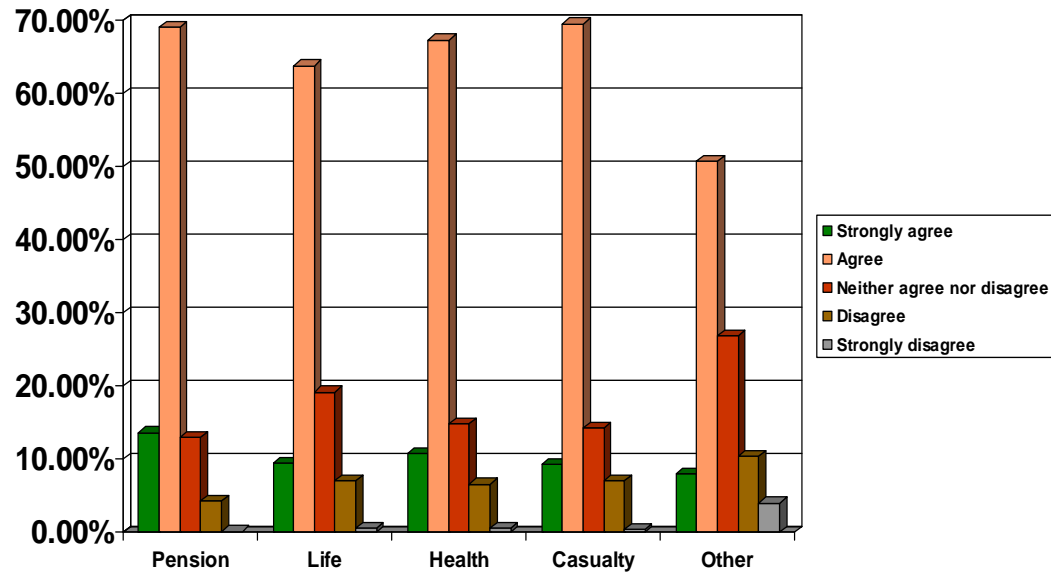
The overall response was varied with 29.7% of members citing ‘agree’, 33.6% responding ‘neither agree nor disagree’ and 28.90% indicating a ‘disagree’ response.

By age band we see those under 30 and ages 30-39 with disagree responses of 47.8% and 40.4% respectively. For age 70+ the responses is neutral (35.2%) as well as for those age 40-49 (35.1%) and those in the 50-59 segment being 37.0%. Only the age 60-69 (39.4%) agree. This may be reflective of the level of experience in the profession or engagement with the organization. In examining the ‘other’ area or practice/interest varies from the other segments. For those who have submitted comments, 44.5% agreed with those not submitting comments expressing neutrality at 34.6%.

*I am knowledgeable regarding the ASB process for developing and amending ASOPs.*

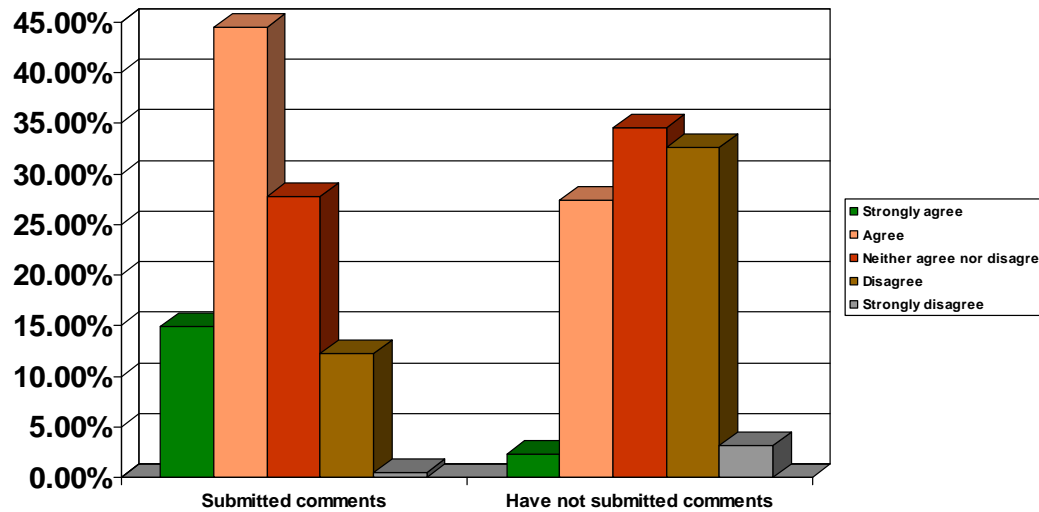


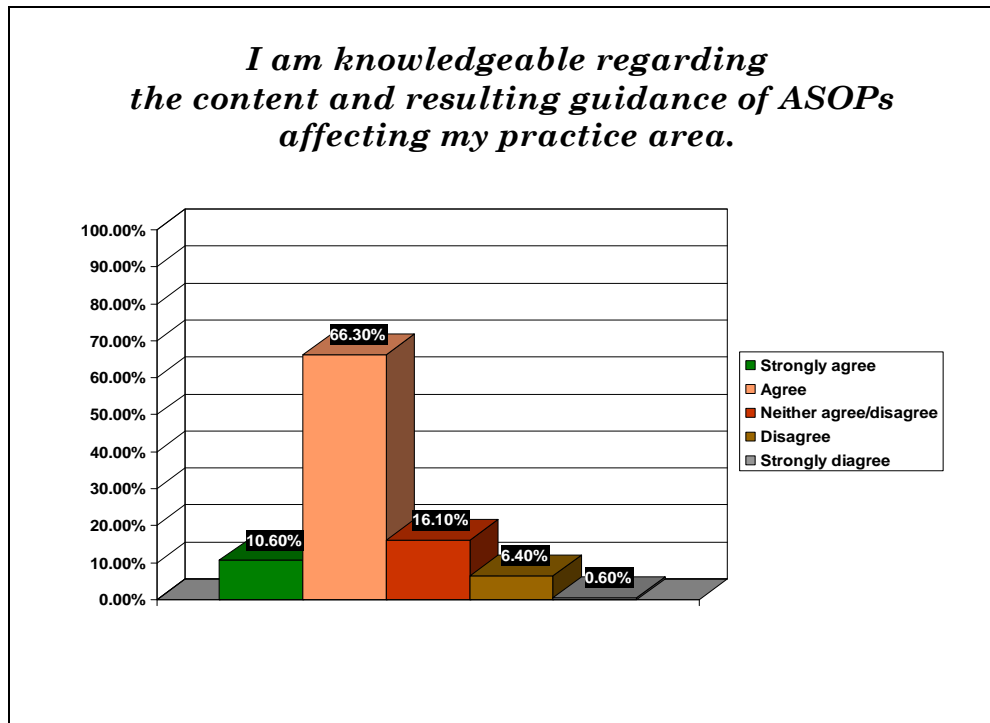
*I am knowledgeable regarding the ASB process  
for developing and amending ASOPs.*





*I am knowledgeable regarding the ASB process for developing and amending ASOPS*

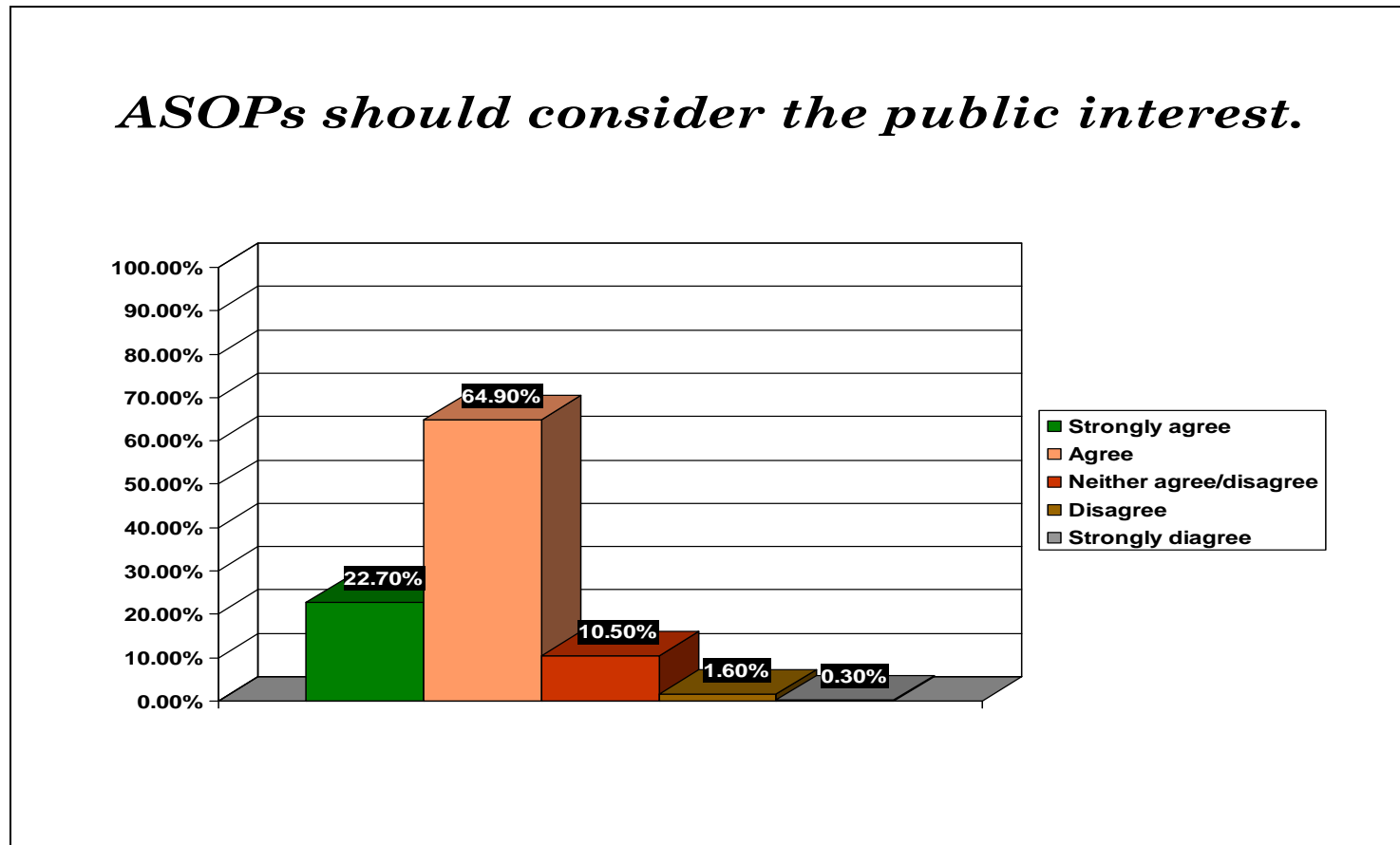




***Knowledgeable Regarding Content and Resulting Guidance of ASOPs in Area of Practice/Interest***

Overall, the dominant response by far was 'agree' at 66.3%. All of the other responses received scores under sixteen percentage points.

There were no significant differences by age band or whether or not the respondent had or had not submitted comments. In the examining area of practice/interest, actuaries defining themselves as 'other' is less likely to agree (50.7% as opposed to 66.3%).



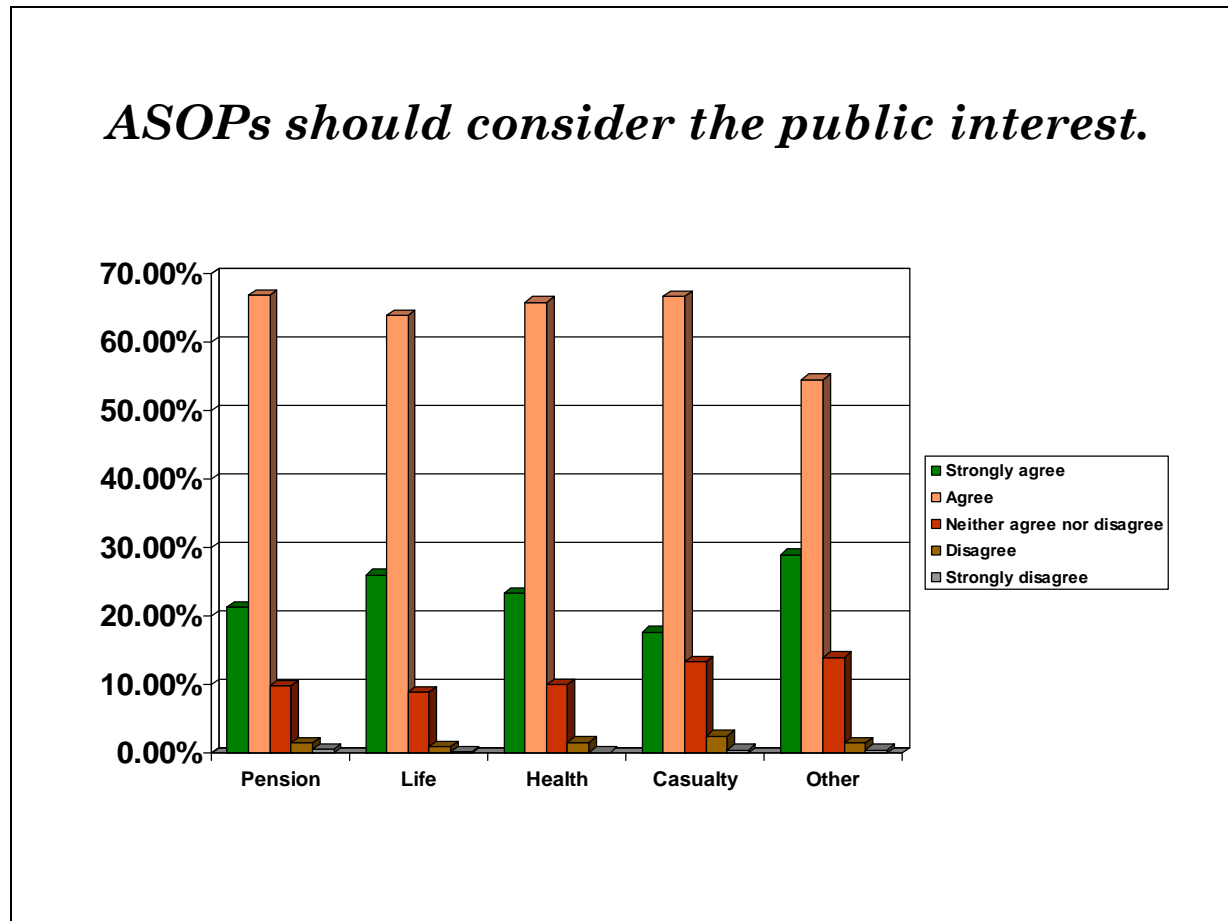
***ASOPs Should Consider the Public Interest***

There was a strong level of agreement with this statement. The top-two box score was 87.6%; with the 'strongly agree' response of 22.7% and an 'agree' response of 64.9%.

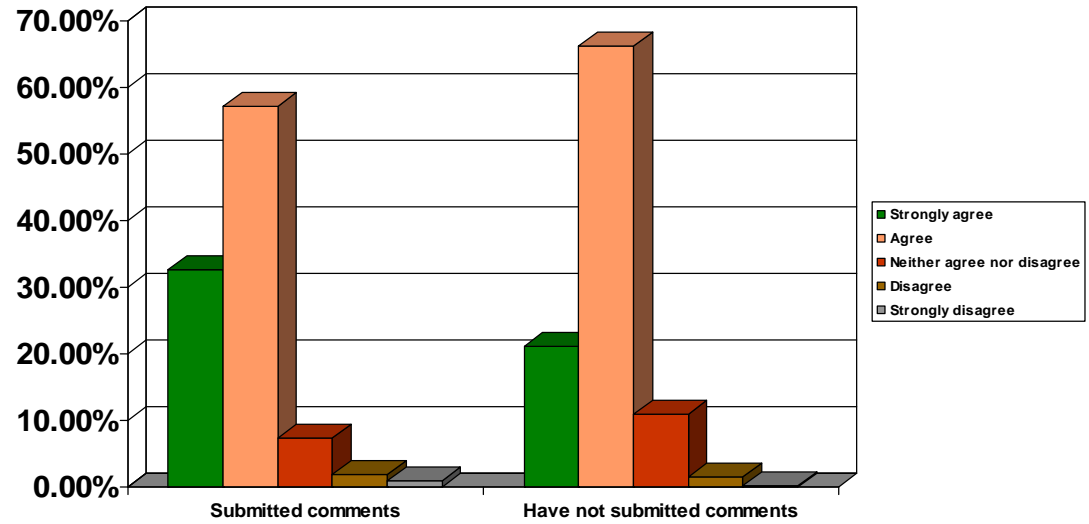
All age bands reflected a dominant response of 'agree'. The same applied to the area of practice/interest, though the 'other' respondents were less likely 'agree' (54.5%), and pension actuaries being the most likely to 'agree' at 66.8%.

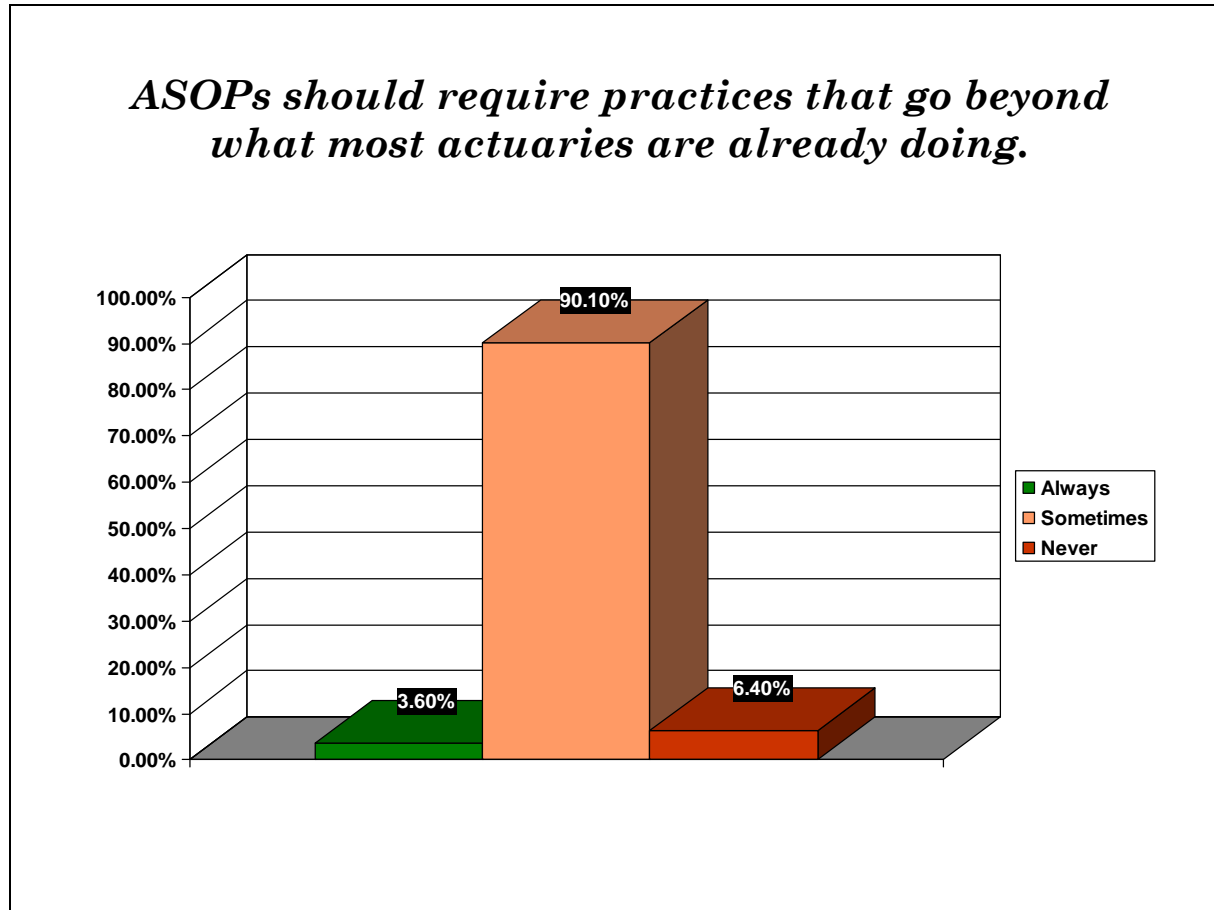
ATTACHMENT 10A (PART 3)

An interesting phenomenon occurred in looking at those who have submitted comments versus those who had not. While agree remains the dominant response for both segments, those who have submitted comments are less positive when compared to the overall in their level of agreement. Those who have submitted comments 'agreed' 57.1% of the time versus an overall 'agree' level of 64.9%. Those who had not submitted comments 'agreed' at a level of 66.2% to the overall total of 64.9%.



*ASOPs should consider the public interest.*

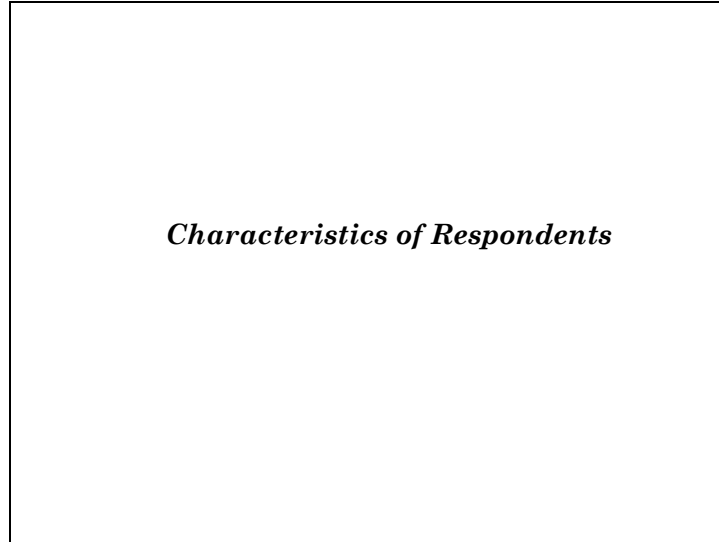




***ASOPs Should Require Practices Go beyond What Most Actuaries are already Doing***

This question digressed from the use of the five-point scale. Respondents were given the response choice of always, sometimes and never. As could be expected, the neutral response of ‘sometimes’ was the overwhelming choice (90.1%).

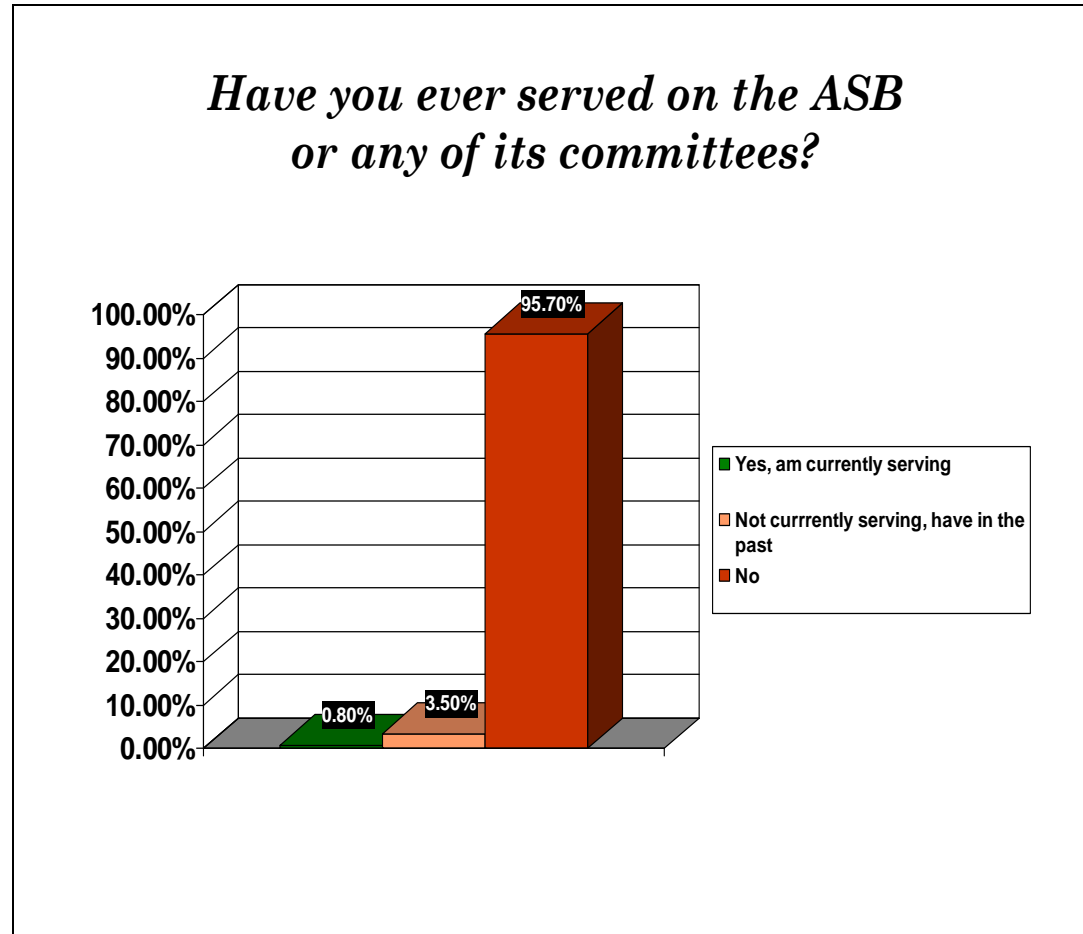
There is no significant difference in examining respondents by age band or area of practice/interest. In examining the respondents who had submitted comments, they are slightly less likely to provide the neutral response of ‘sometimes’ at 85.4%.



***Characteristics of Respondents***

***QUESTIONS/STATEMENTS RELATING TO RESPONDENTS***

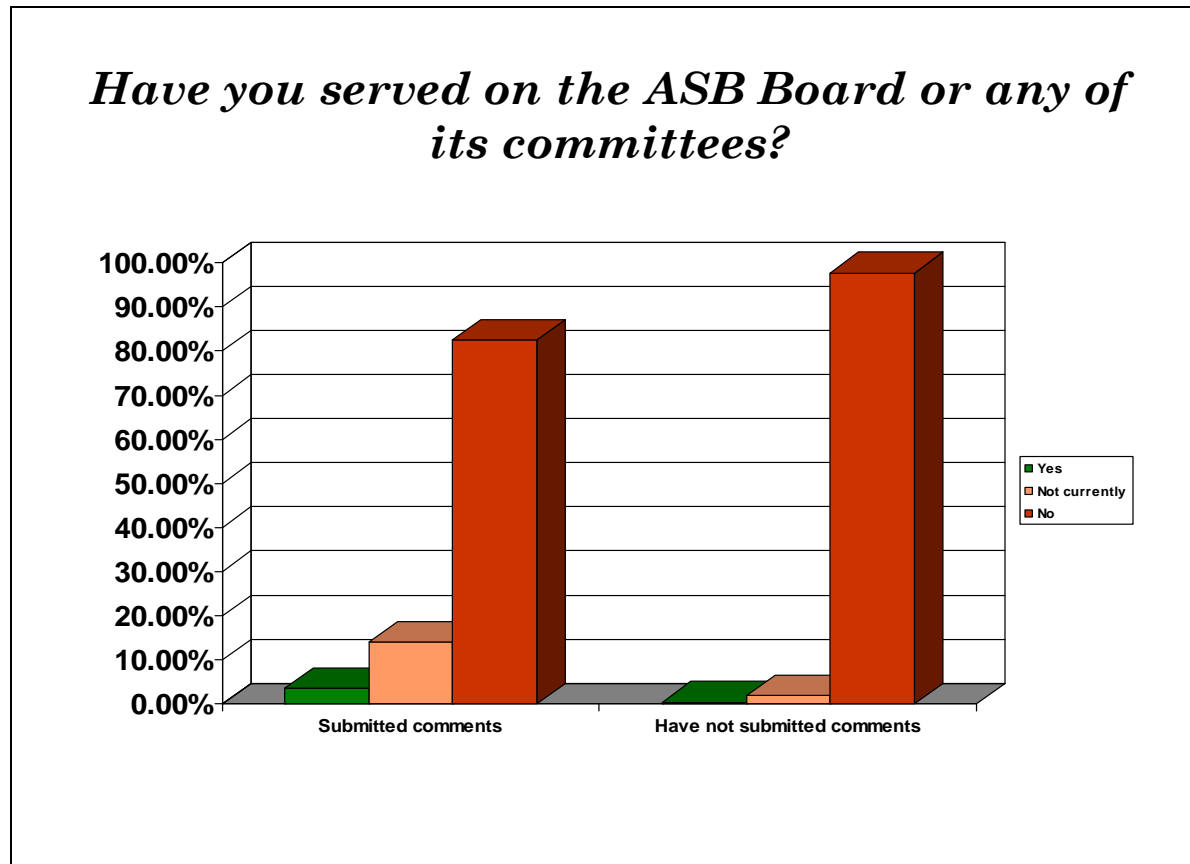
- Have you ever served on the ASB or any of its committees?
- Have you ever submitted comments on any ASOP exposure drafts?
- If you have submitted comments, how many submissions have you made?
- What was your single most important reason for not submitting comments?
- Have you ever submitted a proposal to the ASB for a new ASOP?
- What is your primary area of actuarial area/practice?
- What is your employment status?
- What is/was your employer type?
- What is your age?
- How many years have you been a member of at least one of the actuarial organizations subject to the ASOPs?

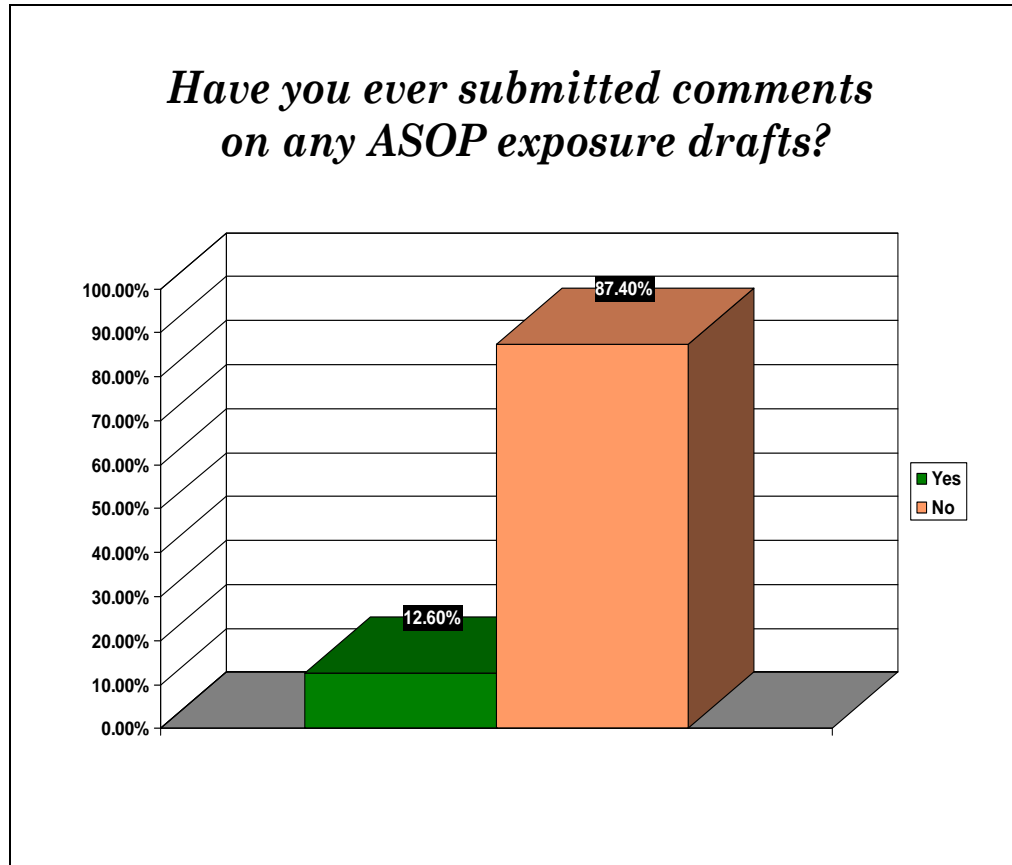


**ASB Service**

More than 95% of all respondents indicated that they had not served on the ASB or any of its committees. As one would expect, younger members are even less likely to have served; while members in the 'older' age groups have had the experience/time to have served. Of those who had submitted comments, 3.5% indicated that they are currently serving on the ASB or one of the committees, while 14% indicated that they had served in the past.





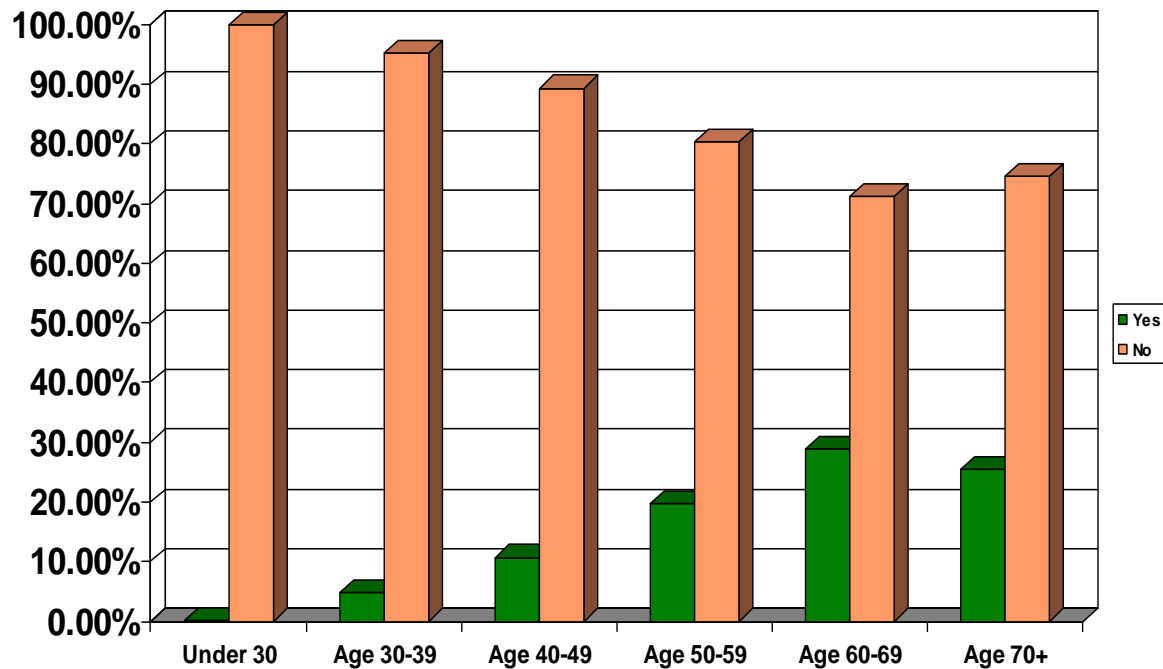


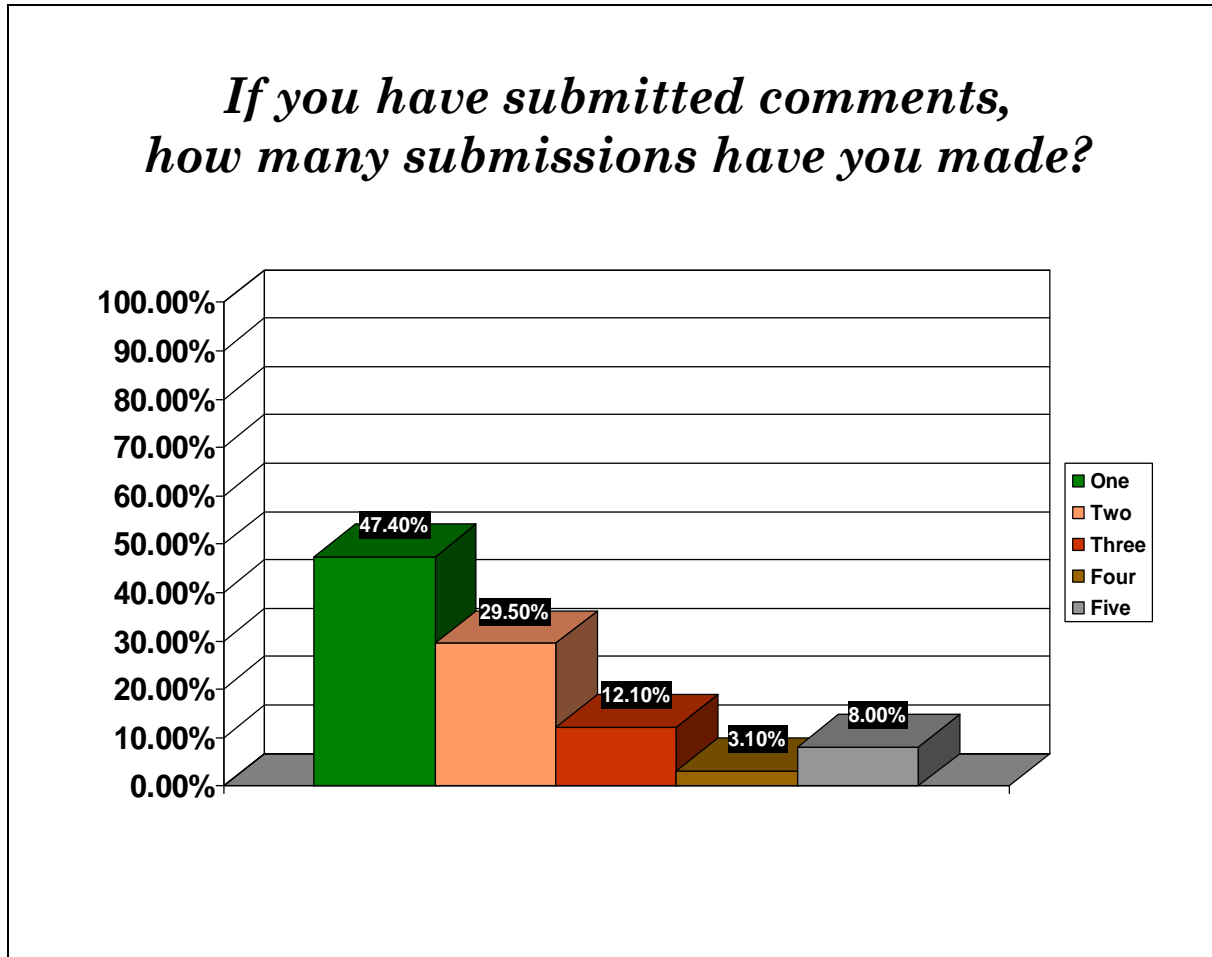
***ASOP Comment Submission***

More than 87% of respondents indicated that they had never submitted comments on any ASOP exposure drafts. As would be expected, there are variations when looking at the age bands, with .2% of those under age 30 having submitted a comment, while in the 60-69 age group, 28% have submitted comments.

Pension actuaries are least likely to have submitted comments (10%), while casualty actuaries are most likely to have submitted comments (14.6%).

## *Have you ever submitted comments on any ASOP exposure drafts?*



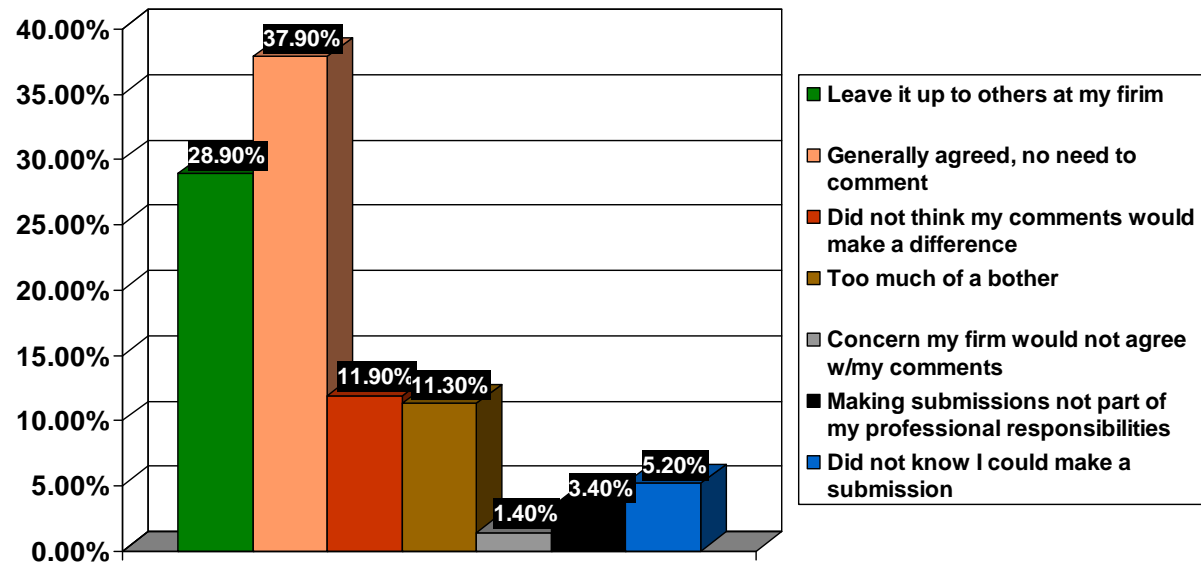


**Number of Comments Made**

The majority of respondents, who made comments, had made one comment (47.4%). A substantial percent (29.5%) had made two comments. Those who had commented three or four times were relatively low numbers. There is a small group (8%) who had made five comments.

The most active groups in making submissions are the 30-39 (62.7%) and 40-49 (58.4%) groups.

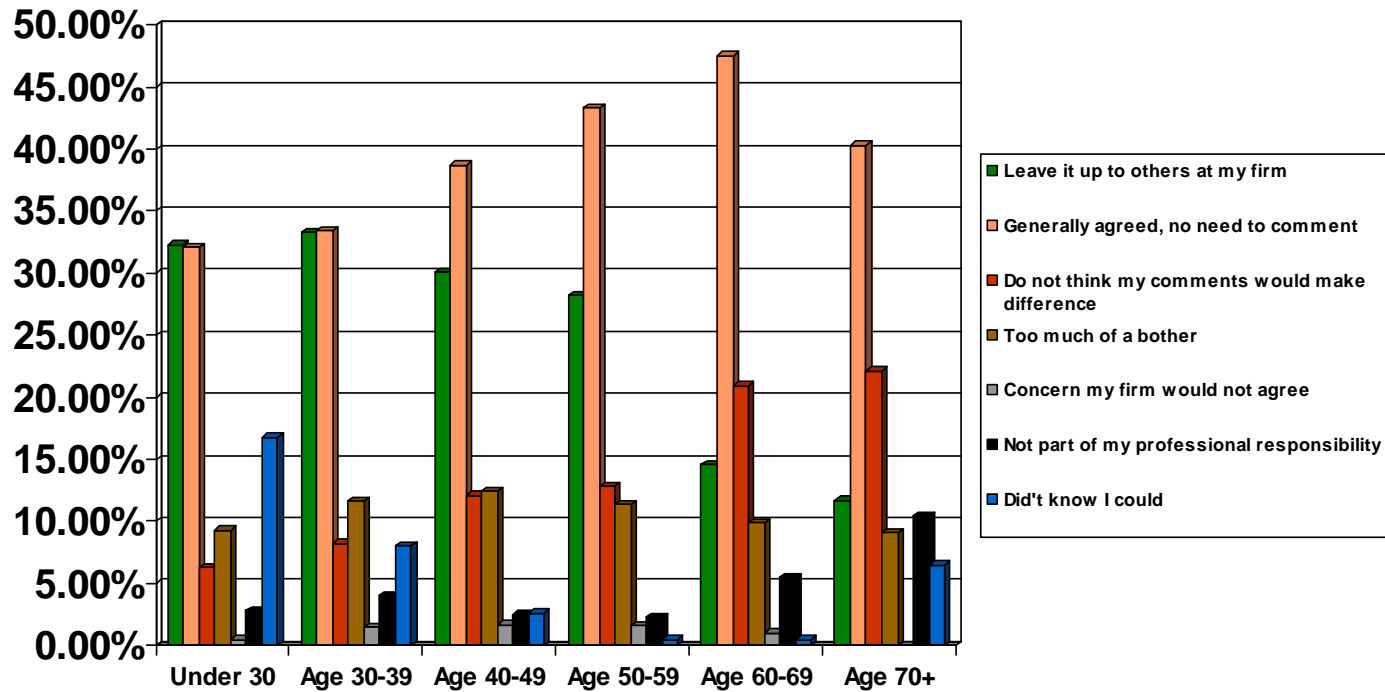
## *What was your single most important reason for not submitting comments?*



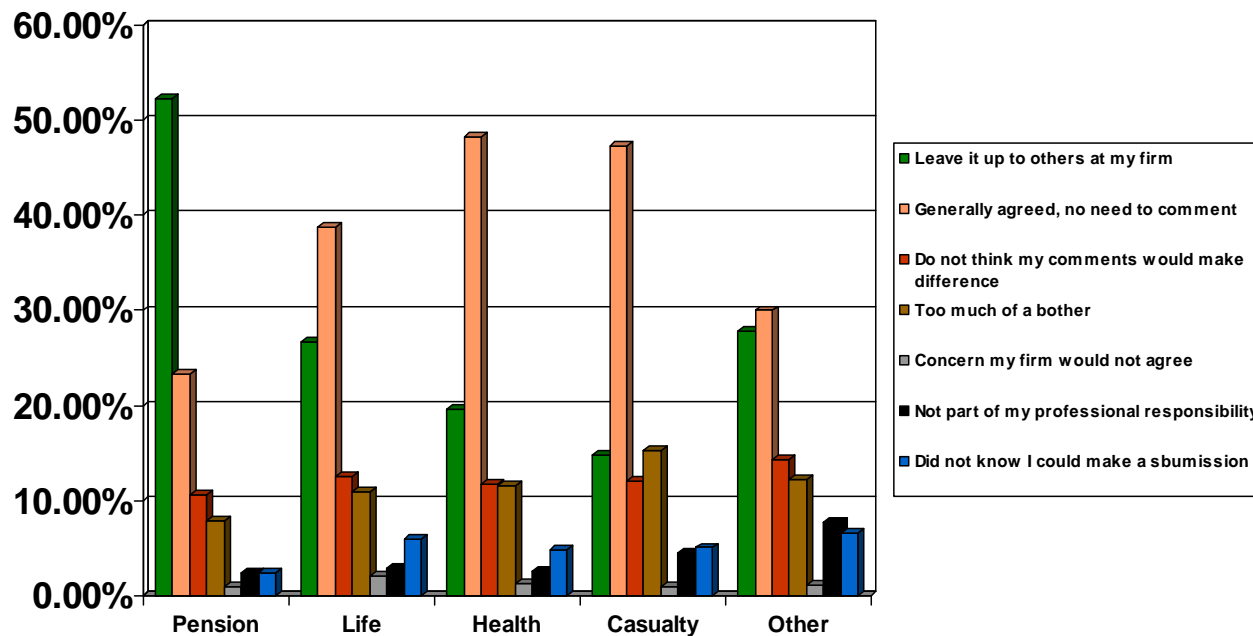
### **Single Most Important Reason for Not Submitting Comments**

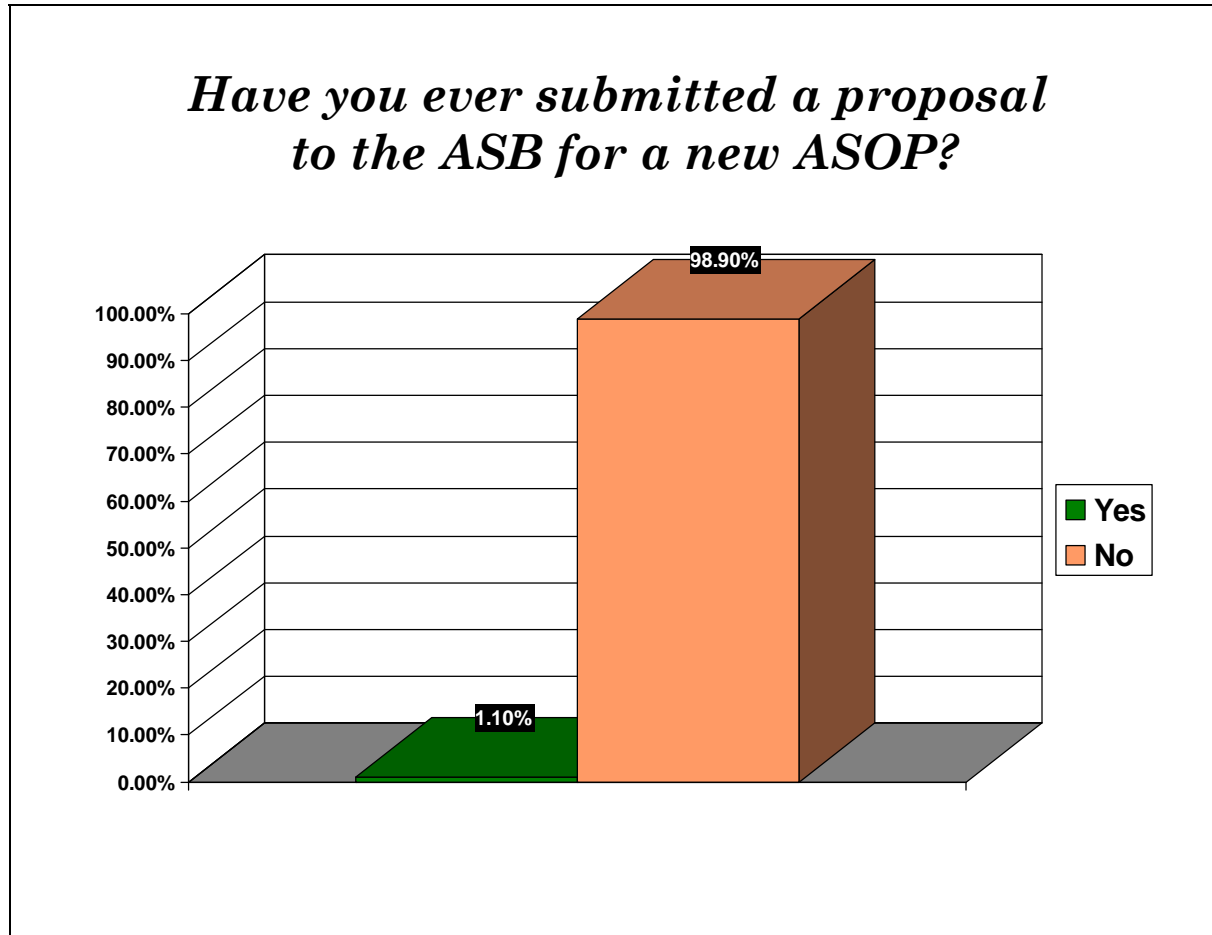
Overall, the most common reason given for not submitting comments was that respondents had generally agreed with the exposure draft and saw no need to comment (37.9%). The second most common response was that respondents left it up to others at their firm to comment (28.9%). Younger respondents were more likely to ‘leave it up to others at my firm’, while other age segments (with the exception of the 70+ group) were more likely to have stated that they ‘generally agreed’ with no need to comment. Pension actuaries were most likely to ‘leave it up to others at my firm’ to comment.

## *What was your single most important reason for not submitting comments?*



*What was your single most important reason for not submitting comments?*



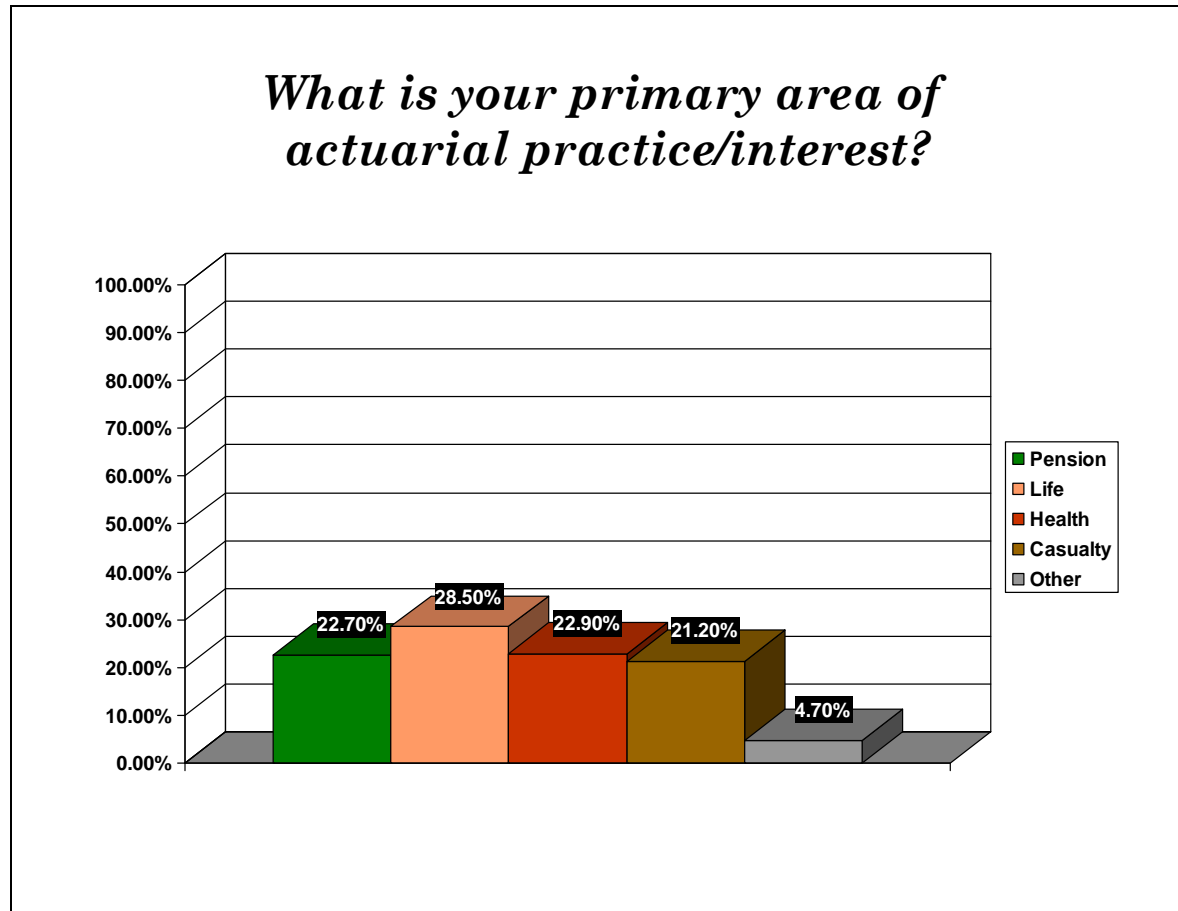


***Submitted a Proposal for a New ASOP***

Less than 2% of respondents have ever submitted a proposal for a new ASOP.

There were no significant differences by any variable.

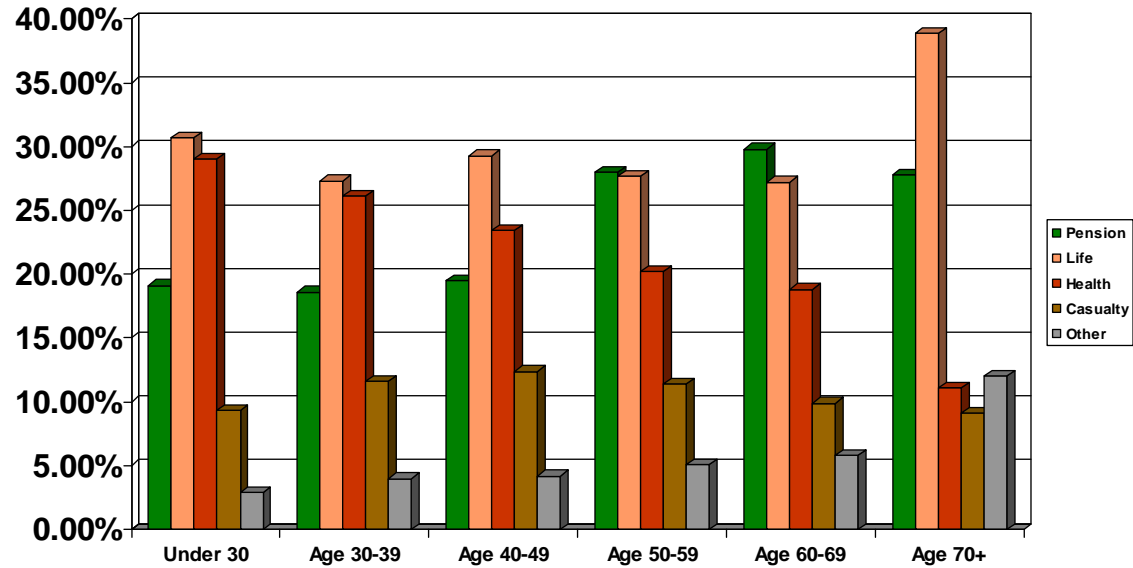


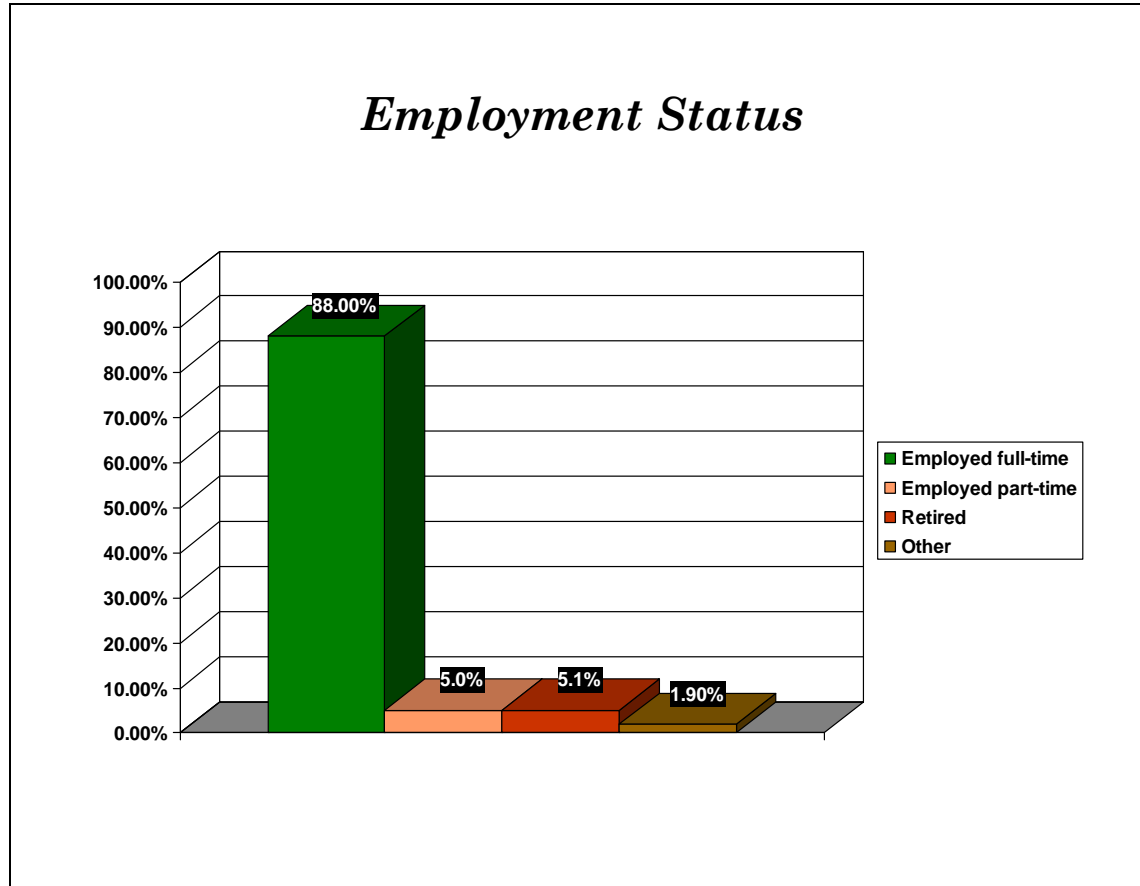


***Primary Area of Actuarial Practice/Interest***

Respondents in the 50-59 age group and 60-69 age group have the largest representation of pension actuaries. Actuaries in the under 30 group are more likely to have identified 'life' as their area of practice/interest. Actuaries in the 'life' area of practice/interest are the most likely to have submitted comments.

*What is your primary area of actuarial practice/interest?*

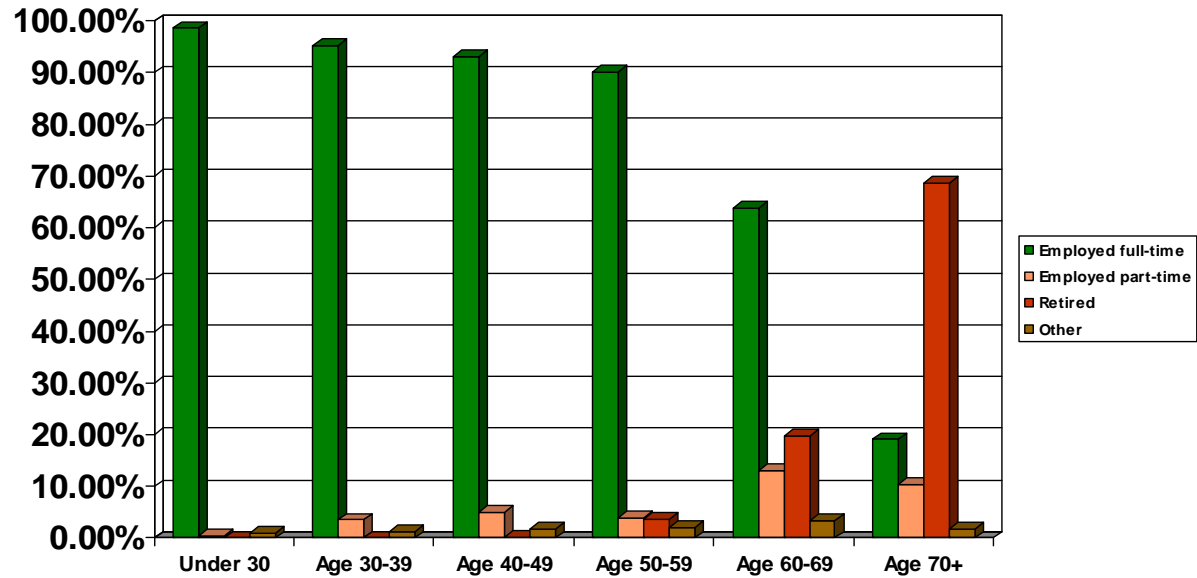


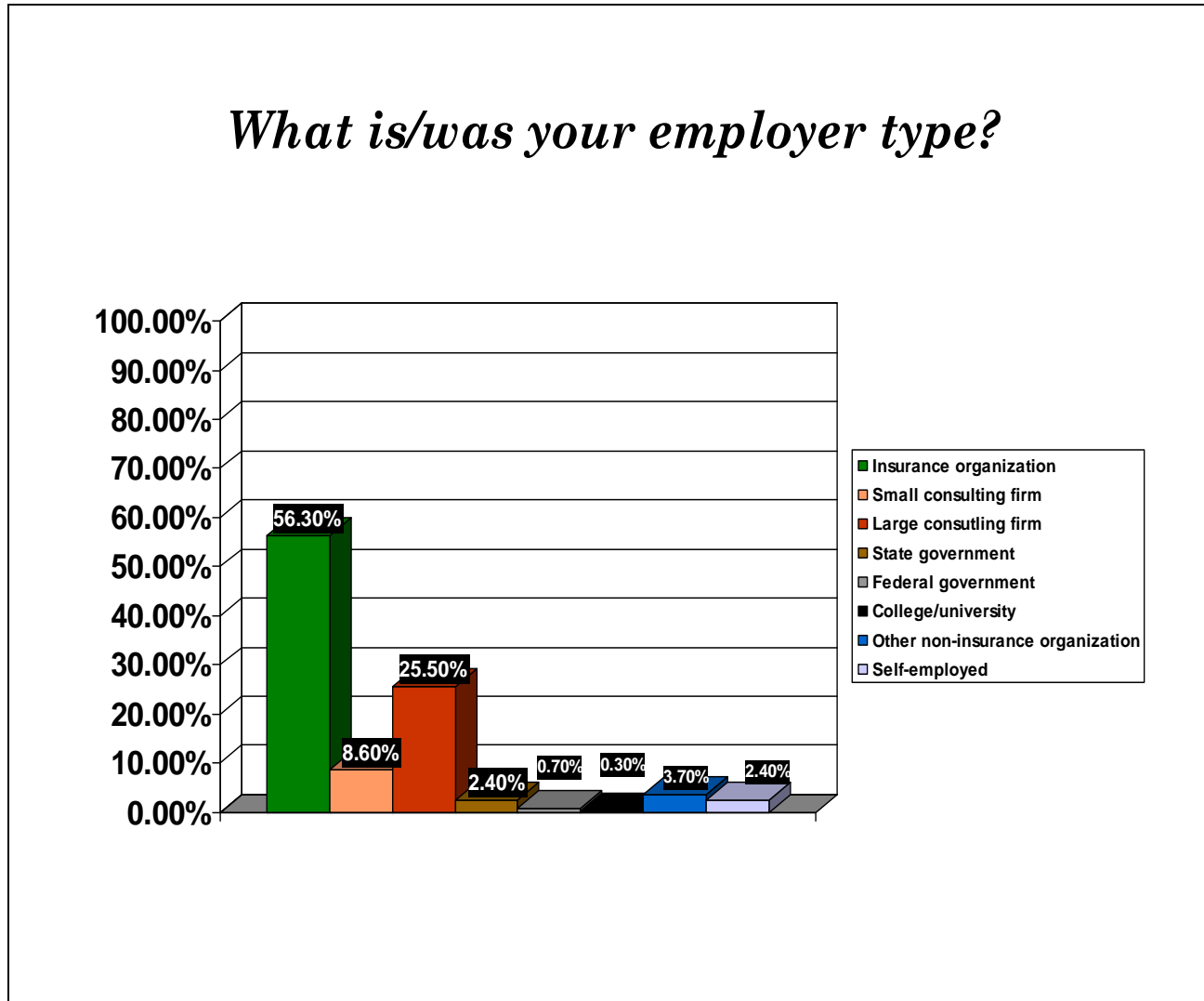


### ***Employment Status***

The majority of respondents are working full time. The shift to 'retired' becomes noticeable in the 60-69 group, and then dominates in the 70+age group.

## *Employment Status*

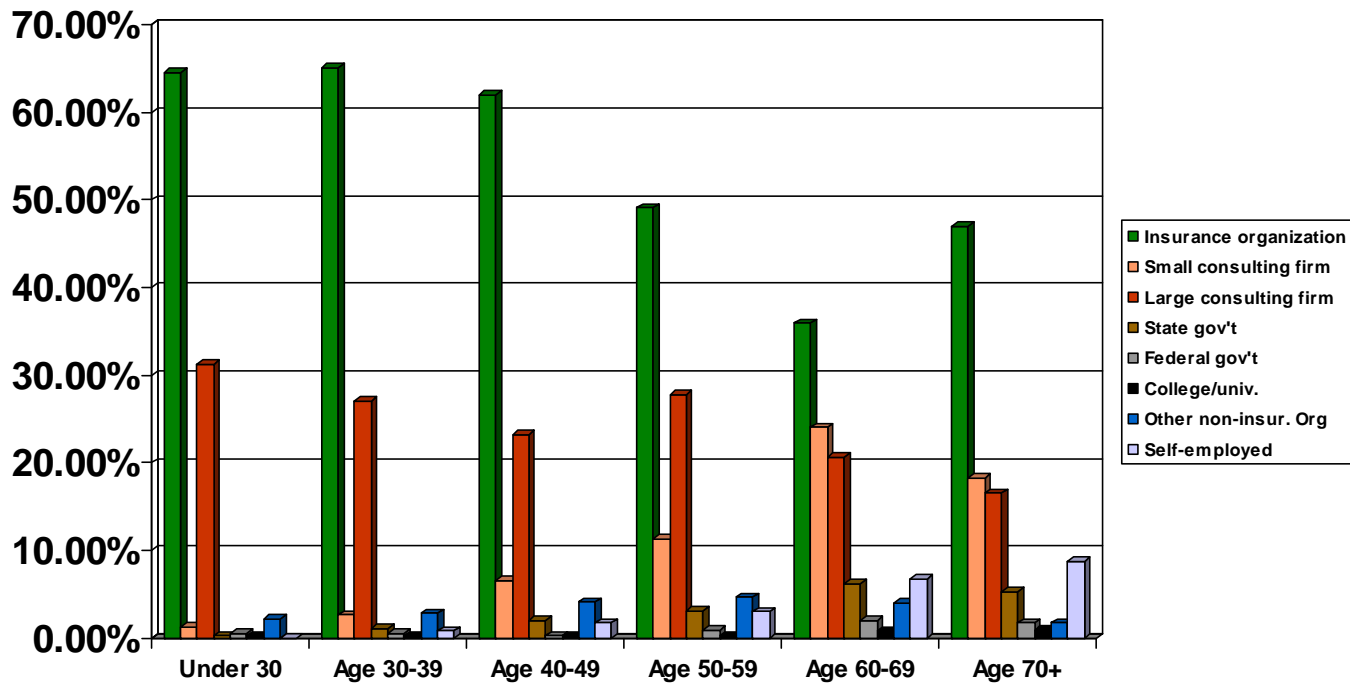




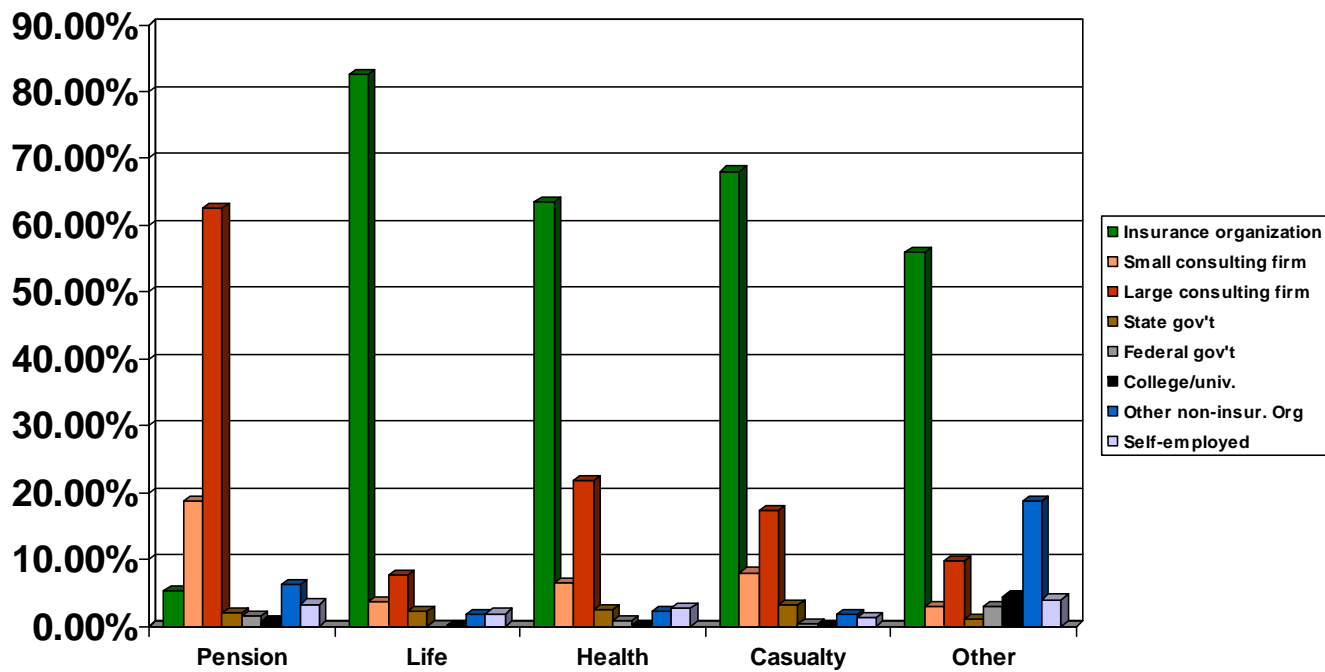
**Employer Type**

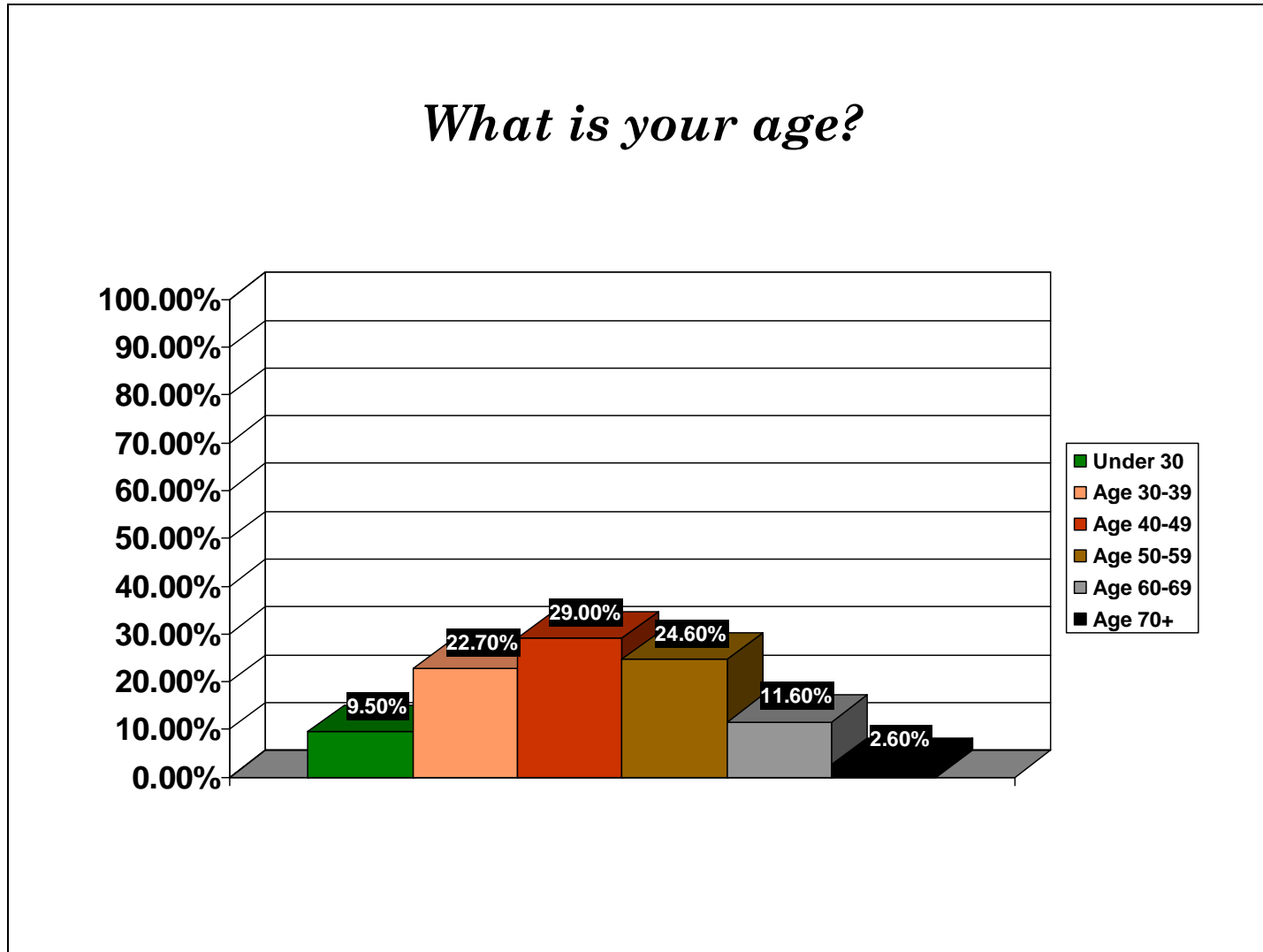
Younger individuals (here defined as under 50) are most likely to be employed in the insurance organization setting, followed by the large consulting group setting. Beginning with the age 50-59 group, there is a migration to the other employment settings. Pension actuaries are most commonly found in the 'large consulting firm' setting (62.6%). Life actuaries are heavily represented in 'insurance organization' settings.

## *What is/was your employer type?*



## *What is/was your employer type?*



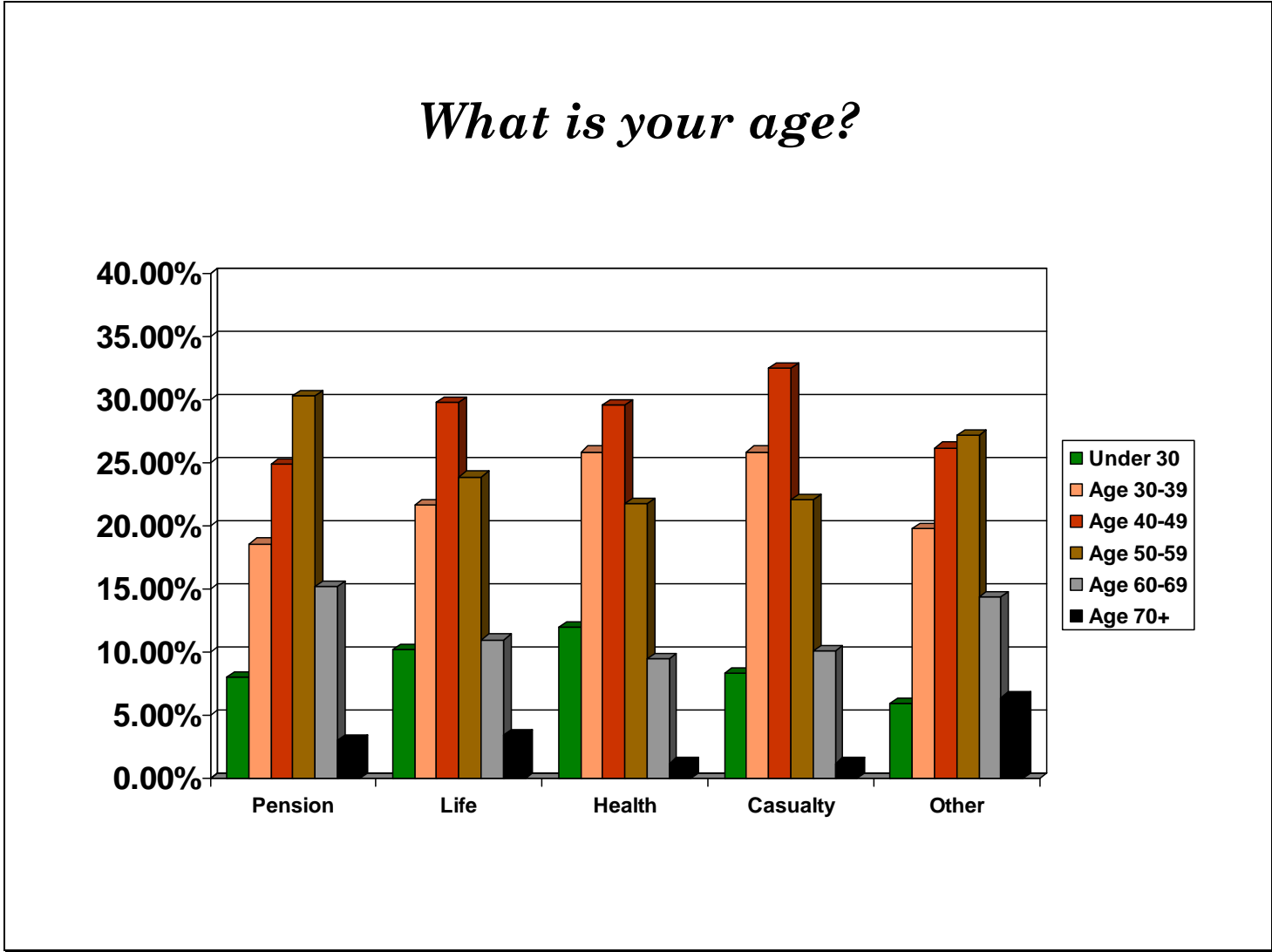


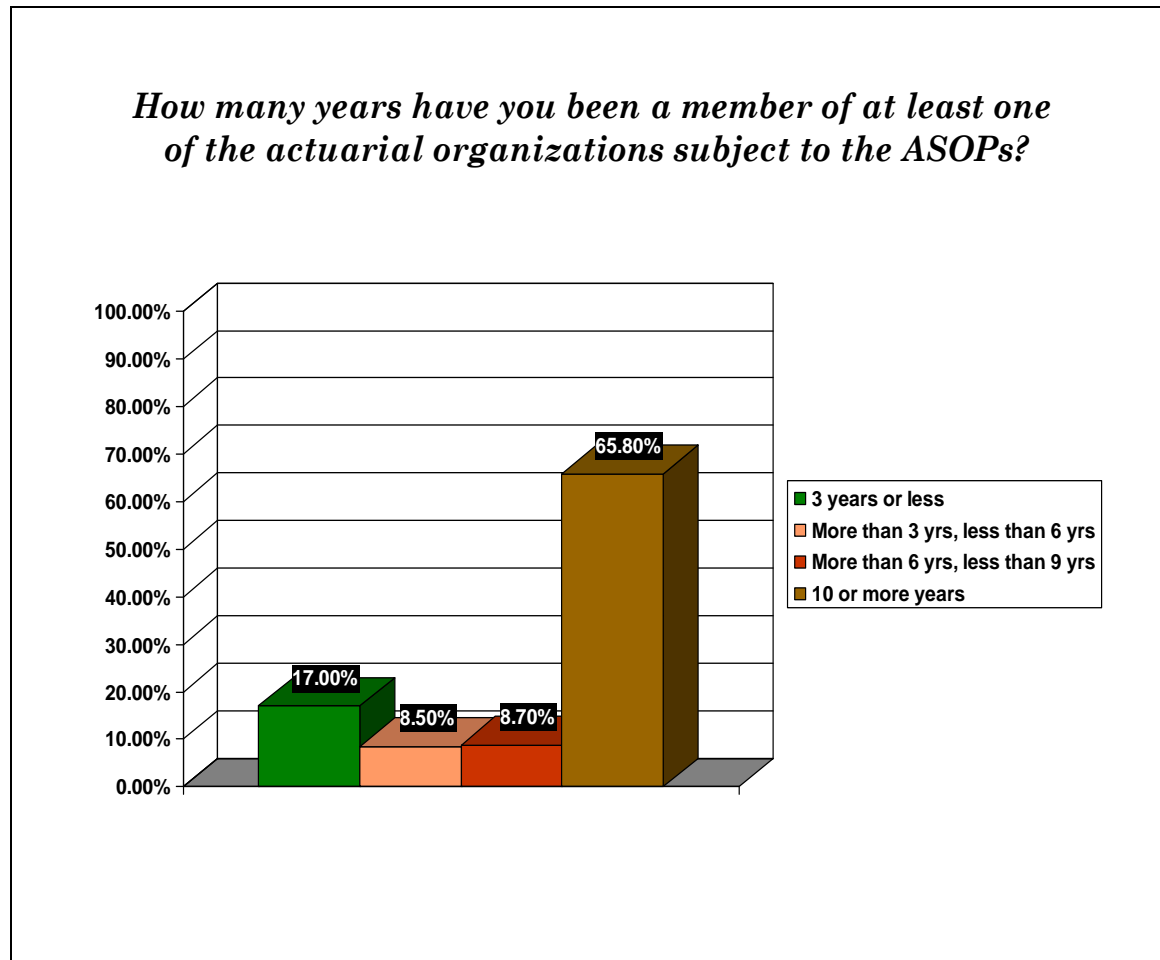
#### **What is Your Age?**

The 40-49 age group represented the largest number of respondents. The age group most common to have submitted comments was the segment of 50-59. Actuaries in the pension area of practice/interest and in the 'other' category skew older. While years of participation in ASB skew to ten plus years, respondents' age resembles a normal distribution.



### *What is your age?*

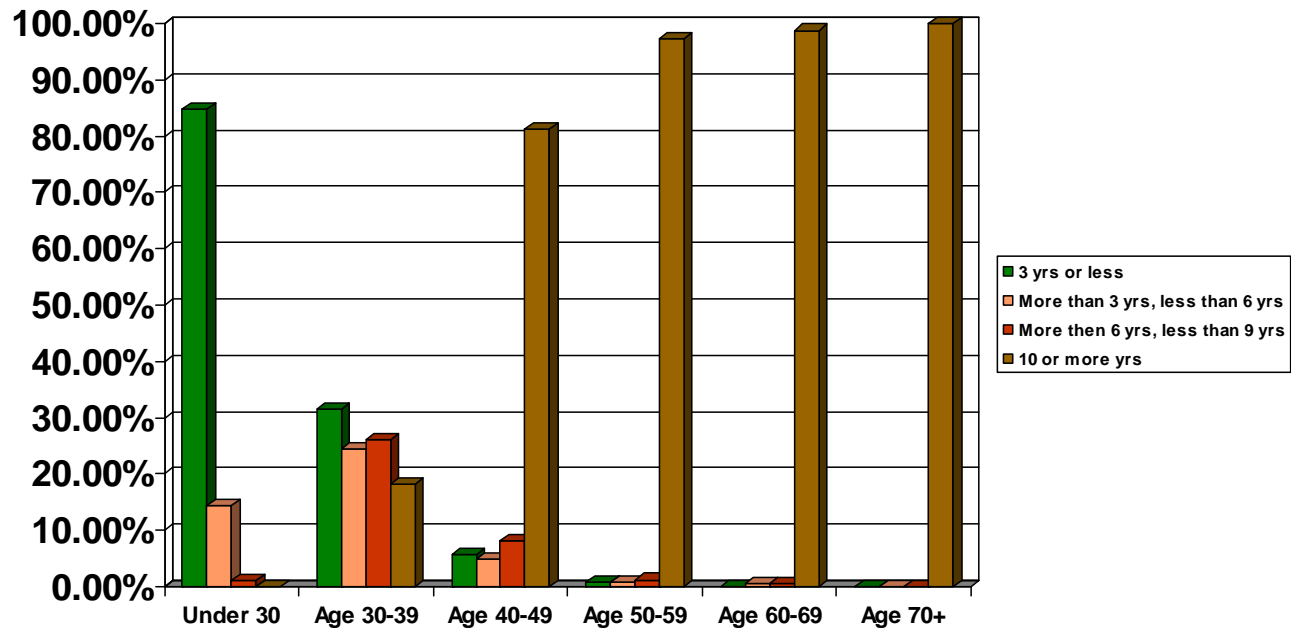




**Number of Years in Actuarial Organizations Subject to ASOPs**

The majority of respondents have been members of one of the subject actuarial organizations for more than 10 years (65.8%). The pension actuaries have the highest percentage of respondents with ten or more year’s participation in an organization subject to ASOPs (72.8%) followed by “other” at 71.6%. Health actuaries have the lowest percentage at 59.4%, while 22.1% of them responded with 3 years or less. Age distribution tracks with membership length. Respondents who had submitted comments had been participants for more than ten years at a level of 93.9%.

*How many years have you been a member of at least one of the actuarial organizations subject to the ASOPs?*



*How many years have you been a member of at least one of the actuarial organizations subject to the ASOPs?*

