



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.

November 2017

BOXSCORE

ASB Adopts ASOP No. 51 on Pension Risk

The Actuarial Standards Board (ASB) recently adopted Actuarial Standard of Practice (ASOP) No. 51, *Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions*. ASOP No. 51 provides guidance to actuaries when performing certain actuarial services with respect to measuring obligations under a defined benefit pension plan and calculating actuarially determined contributions for such plans, with regard to the assessment and disclosure of the risk that actual future measurements may differ significantly from expected future measurements. The standard will be effective for any actuarial work product with a measurement date on or after Nov. 1, 2018. ASOP No. 51 can be viewed [here](#).

ASB Adopts ASOP No. 52 on Principle-Based Reserves for Life Products

The ASB also adopted ASOP No. 52, *Principle-Based Reserves for Life Products under the NAIC Valuation Manual*. ASOP No. 52 provides guidance to actuaries when performing actuarial services with respect to developing or opining on principle-based reserves for life insurance that are reported by companies in compliance with applicable law based upon the National Association of Insurance Commissioners (NAIC) Standard Valuation Law and the NAIC Valuation Manual as adopted in December 2012 with subsequent amendments. The standard will be effective for valuation dates on or after Dec. 31, 2017. ASOP No. 52 can be viewed [here](#).



ASB Approves Proposal to Revise ASOP No. 22 for Life or Health Insurers

The ASB recently approved a proposal from its Life Committee to revise ASOP No. 22, *Statements of Opinion Based on Asset Adequacy Analysis by Actuaries for Life or Health Insurers*. ASOP No. 22 was originally adopted in 2001 and provides guidance to actuaries when serving as an appointed actuary or a qualified actuary in providing a statement of actuarial opinion relating to asset adequacy analysis of a life or health insurer, when such opinion is prepared pursuant to applicable law. The Life Committee plans to establish a task force to revise the ASOP in response to regulatory and practice changes that have occurred, including addressing issues specific to margins and mortality improvement as well as the low-interest-rate environment that has made the results of asset adequacy analysis more relevant for life insurers. The Life Committee plans to present an exposure draft to the ASB in late 2018.

Looking Ahead

The ASB tentatively plans to review the following drafts during its December 2017 meeting:

- a new ASOP titled *Estimating Future Costs for Prospective Property/Casualty Risk Transfer and Risk Funding Retention* (proposed final ASOP from the Casualty Committee);
- a revision of ASOP No. 32, *Social Insurance* (proposed exposure draft from the ASOP No. 32 Task Force); and
- revisions to ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*, and ASOP No. 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations* (proposed exposure drafts from the Pension Committee).

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Meetings

DECEMBER 5-7, 2017

MARCH 7-8, 2018

JUNE 13-14, 2018

SEPTEMBER 12-13, 2018

DECEMBER 4-5, 2018

All ASB meetings are open to the public, and interested parties may attend. The ASB office should be notified of intent to attend meetings. Unless otherwise noted, meetings take place at the American Academy of Actuaries' office in Washington, D.C.

The Actuarial Standards Board (ASB) sets standards for appropriate actuarial practice in the United States through the development and promulgation of actuarial standards of practice (ASOPs). These ASOPs describe the procedures an actuary should follow when performing actuarial services and identify what the actuary should disclose when communicating the results of those services.

ASB Projects

SUBJECT AREA	2017 QUARTER				COMMENTS
	1	2	3	4	
CASUALTY COMMITTEE					
<i>Estimating Future Costs for Prospective Property/Casualty Risk Transfer and Risk Funding Retention (formerly titled Property/Casualty Ratemaking)</i>	R	R	R		The task force is reviewing comments on the third exposure draft, making revisions, and plans to present a final ASOP to the ASB at its December 2017 meeting.
ENTERPRISE RISK MANAGEMENT COMMITTEE					
<i>Capital Adequacy Assessment for Insurers</i>	R	R	R		The committee is continuing to make revisions, and plans to present a second exposure draft to the ASB in late 2017.
GENERAL COMMITTEE					
ASOP No. 17 <i>Expert Testimony by Actuaries</i>	E	R	R		The task force is reviewing comments on the exposure draft, making revisions, and plans to present a final revised ASOP to the ASB at its March 2018 meeting.
ASOP No. 32 <i>Social Insurance</i>	D	D	D		The task force is drafting proposed revisions to the ASOP and plans to present an exposure draft to the ASB at its December 2017 meeting. (Note: This task force reports directly to the ASB instead of the General Committee.)
ASOP No. 38 <i>Catastrophe Modeling (for All Practice Areas)</i>	F	F	F		The ASB adopted a final revision at its March 2014 meeting subject to ASB approval of changes necessitated by the final version of the proposed new modeling ASOP.
<i>Modeling</i>	R	R	R		The task force is reviewing comments on the third exposure draft, making revisions, and plans to present a final ASOP to the ASB at its March 2018 meeting.
<i>Assumptions</i>	R	R	R		The task force is reviewing comments on the exposure draft, making revisions, and plans to present a second exposure draft to the ASB at its March 2018 meeting.
HEALTH COMMITTEE					
ASOP No. 42 <i>Determining Health and Disability Liabilities Other Than Liabilities for Incurred Claims</i>	D	D	R		The task force is reviewing comments on the exposure draft, making revisions, and plans to present a final revised ASOP to the ASB at its March 2018 meeting.
LIFE COMMITTEE					
<i>Principle-Based Reserves for Life Products</i>	E	R	F		The ASB adopted the standard as ASOP No. 52 at its September 2017 meeting. The effective date is Dec. 31, 2017.
<i>Pricing Life Insurance and Annuity Products</i>	R	R	R		The task force is reviewing comments on the second exposure draft, making revisions, and plans to present a final ASOP to the ASB at its June 2018 meeting.
ASOP No. 2 <i>Nonguaranteed Charges or Benefits for Life Insurance Policies and Annuity Contracts</i>	D	D	D		A task force is drafting a revision to ASOP No. 2 and plans to present an exposure draft to the ASB at its March 2018 meeting.
ASOP No. 11 <i>Financial Statement Treatment of Reinsurance Transactions Involving Life or Health Insurance</i>			P		The ASB approved a task force to draft a revision to ASOP No. 11. The task force plans to present a summary document to the ASB at its March 2018 meeting.
ASOP No. 22 <i>Statements of Opinion Based on Asset Adequacy Analysis by Actuaries for Life or Health Insurers</i>			P		The ASB approved a proposal to revise ASOP No. 22 and will approve a task force. An exposure draft is scheduled to be presented to the ASB in late 2018.
PENSION COMMITTEE					
<i>Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions</i>	R	R	F		The ASB adopted the standard as ASOP No. 51 at its September 2017 meeting. The effective date is Nov. 1, 2018.
Follow-up to Pension Task Force report	R	R	R		The committee is developing proposed revisions to ASOP No. 4, <i>Measuring Pension Obligations and Determining Pension Plan Costs or Contributions</i> ; 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> , and plans to present exposure drafts of ASOP Nos. 27 and 35 to the ASB at its December 2017 meeting, and of ASOP No. 4 at its March or June 2018 meeting.

Legend:

PD Planning/Discussion
P Proposal for Standard
D Drafting
DD Discussion Draft
E Exposure Draft
SE Second Exposure Draft

TE Third Exposure Draft
R Revisions/Redrafting
F Final Pronouncement
DS Development Suspended
WD Working Draft
RC Request for Comments

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

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