

Actuarial Standards Board

Annual Report

2025



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of ACTUARIES

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Letter From the Chairperson

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. Established in 1988, the ASB has the sole authority to develop, obtain comment upon, revise, and adopt ASOPs for the actuarial profession.

In 2025, the ASB continued its standard-setting efforts by approving exposure drafts of ASOP Nos. 6, 20, and 30 for comment and adopting revisions to ASOP Nos. 7 and 20. In addition, the ASB continued development of nine other new or revised ASOPs and approved three proposals to revise ASOP Nos. 8, 43, and 52.

The ASB recognizes the importance of educating actuaries on ASOPs to improve actuarial practice. In May, we presented a webinar, *The New ERM ASOP: What You Need to Know*, on ASOP No. 58, *Enterprise Risk Management*. The webinar highlighted why the new ASOP was needed and the changes to the ASOP, including the ASOP's scope, considerations related to an organization's own risk and solvency assessment, and new guidance on governance over risk processes, risk identification, and risk classification. Special thanks to former ERM Committee Chairperson David Paul and former ERM committee members Anthony Dardis and Elisabetta Russo who contributed to a successful presentation.

Setting appropriate standards of practice would not be possible without the dedication and contributions of our many committee and task force members who

volunteer countless hours toward this critically important, challenging, and time-consuming work. We would like to especially thank the ASOP Nos. 7 and 20 task forces for their dedicated work in revising their respective ASOPs in 2025. The ASB also would like to thank outgoing Pension Committee Chairperson Matt Smith, for overseeing the committee in its work to revise ASOP No. 6. In addition, the ASB acknowledges the numerous stakeholders who submit comments and suggestions on proposed new or revised ASOPs, which continues to be a critical element of the standard development process.

Finally, I would like to thank outgoing ASB Chairperson Kevin Dyke and Vice Chairperson Dave Neve for their leadership and invaluable contributions to the ASB during their service. We are pleased to welcome incoming ASB members Erica Baird and Dave Heppen, whose insights will support the ASB's continued efforts in 2026 to serve the actuarial profession and the public by establishing and improving ASOPs in the United States.

Laura Hanson
Chairperson
2026 Actuarial Standards Board

Committee Projects

Casualty Committee

The Casualty Committee, chaired by Geoffrey Werner, oversaw a task force developing a proposed revision of ASOP No. 20, now titled *Analysis of Property/Casualty Cash Flows, Including Discounting*. The task force was chaired by Robert Walling. The ASB approved an exposure draft in March and adopted the revised standard in December.

The Casualty Committee continued to oversee a task force developing a proposed revision of ASOP No. 30, *Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking*. The task force was chaired by Mary Frances Miller. The ASB approved an exposure draft in June.

In addition, the Casualty Committee continued to oversee a task force developing a proposed revision of ASOP No. 39, *Treatment of Catastrophe Losses in Property/Casualty Insurance Ratemaking*. The task force is chaired by Stacey Gotham.

Lastly, the ASB approved a proposal from the Casualty Committee to revise ASOP No. 43, *Property/Casualty Unpaid Claim Estimates*. A task force is being formed.

General Committee

The General Committee, chaired by Keith Passwater, continued to oversee a task force developing a proposed revision of ASOP No. 12, *Risk Classification (for All Practice Areas)*. The task force was chaired by Brian Mullen.

The General Committee also began work on a proposed revision of ASOP No. 1, *Introductory Actuarial Standard of Practice*. Passwater also chaired the task force.

Health Committee

The Health Committee, chaired by Audrey Halvorson, oversaw a task force developing a proposed revision of ASOP No. 45, *The Use of Health Status Based Risk Adjustment Methodologies*. The task force was chaired by Erica Baird.

In addition, the Health Committee continued to oversee a task force developing a proposed revision of ASOP No. 49, *Medicaid Managed Care Capitation Rate Development and Certification*. The task force is chaired by Jeremy Palmer.

Lastly, the ASB approved a proposal from the Health Committee to revise ASOP No. 8, *Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health Benefits*. A task force is being formed and will be chaired by Olga Jacobs.

Life Committee

The Life Committee, chaired by Matthew Monson, oversaw a task force developing a proposed revision of ASOP No. 7, now titled *Life or Health Cash Flow Analysis*. Monson also chaired the task force. The ASB adopted the revised standard in December.

The Life Committee also continued to oversee the drafting of a proposed new ASOP titled *Pricing Reinsurance or Similar Risk Transfer Transactions Involving Life Insurance, Annuities, or Long-Duration Health Benefit Plans*. The task force is chaired by Donna Megregian.

Lastly, the ASB approved a proposal from the Life Committee to revise ASOP No. 52, *Principle-Based Reserves for Life Products under the NAIC Valuation Manual*. A task force has been formed and is chaired by Su Su.

Pension Committee

The Pension Committee, chaired by Matt Smith, continued to oversee a task force developing a proposed revision of ASOP No. 6, *Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions*. The task force is chaired by James Rizzo. The ASB approved an exposure draft in December.

Other Projects

A task force of the ASB continued to develop a proposed revision of ASOP No. 41, *Actuarial Communications*. The task force is chaired by Lisa Slotznick.



2025 Actuarial Standards Board:

Back (l to r): Rick Lassow, Gabe Schiminovich, Kevin Dkyle (*chairperson*), Dave Neve (*vice chairperson*),
Laura Hanson (*vice chairperson*)

Front (l to r): Mary Frances Miller, Alisa Swann, Judy Stromback, Chris Noble



The ASB establishes and improves standards of actuarial practice. These ASOPs identify what the actuary should consider, document, and disclose when performing an actuarial assignment. The ASB's goal is to set standards for appropriate practice for the U.S. actuarial profession.

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