

ACTUARIAL STANDARDS BOARD QUARTERLY REPORT FOR Q3 2014

ASB Approves Final Revision of ASOP No. 35

The ASB adopted a final revision of ASOP No. 35, *Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations*. An exposure draft of the ASOP was issued in September 2013 and received six comment letters. A number of clarifying changes were made to the revision as a result. Significant modifications from the current version of the ASOP include making the guidelines for a reasonable assumption consistent with the guidelines contained in ASOP No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*, and revising the guidance in the ASOP to require disclosure of rationale for assumption selection. The standard will be effective for any actuarial work product with a measurement date on or after June 30, 2015. Earlier adoption of the standard is encouraged.

ASB Approves Exposure Draft of ASOP No. 34 Revision

The ASB approved an exposure draft of a revision of ASOP No. 34, *Actuarial Practice Concerning Retirement Plan Benefits in Domestic Relations Actions*. The ASB is issuing the proposed revision to address concerns that the existing disclosure requirements in the standard do not sufficiently assist users in understanding large differences in the valuation results prepared by different actuaries. In addition, as several actuarial standards of practice applicable to work with pension plans have been recently revised, a revision of ASOP No. 34 is necessary to provide guidance consistent with the guidance in these other actuarial standards of practice. The comment deadline for the exposure draft is January 31, 2015.

ASB Approves Exposure Draft on Property/Casualty Ratemaking

The ASB also approved an exposure draft titled *Property/Casualty Ratemaking*. In developing the proposed ASOP, the Ratemaking Task Force sought to develop an encompassing standard of practice. The exposure draft ASOP addresses all of the items formerly in the Considerations section of the Casualty Actuarial Society's (CAS) Statement of Principles Regarding Property/Casualty Ratemaking as well as ratemaking items not currently addressed in existing ASOPs. To provide a complete standard on ratemaking, the draft references existing ASOPs that include relevant considerations. The task force suggests that the proposed ASOP be read in conjunction with the draft CAS Statement of Principles Regarding Property/Casualty Ratemaking. The comment deadline for the exposure draft is January 31, 2015.

ASB to Meet December 9-10 in Washington

The next regularly scheduled meeting of the ASB will be held December 9-10, 2014, at the Academy offices in Washington, D.C.