

Revised ASOP 21 & 23 and the Impact on the Reserving Actuary

CLRS
Philadelphia
Sept 11-12, 2017



Presenters

- **Mary Frances Miller**

FCAS, MAAA, Hon FIA, CPCU, ARe, AIM
ASB Casualty Committee

- **Margaret Tiller Sherwood**

FCAS, FSA, MAAA, FCA, CPCU, ARM, ERMP, CERA
ASB General Committee Chair

- **Moderator: Beth Fitzgerald**

FCAS, MAAA, CPCU, FCIA
ASB Vice Chair



Disclaimer

Please note: The presenters' statements and opinions are their own and do not necessarily represent the official statements or opinions of any boards or committees of the American Academy of Actuaries, or any other actuarial organization, nor do they express the opinions of their employers.



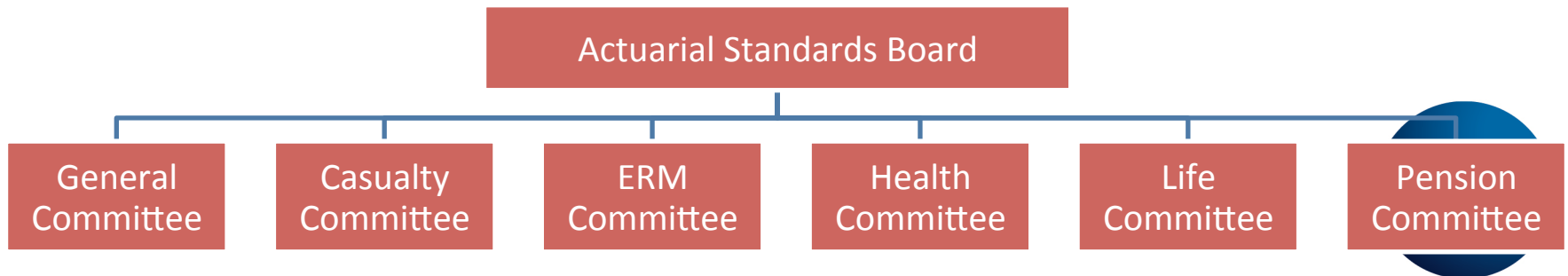
Additional disclaimers

- The following highlights from selected ASOPs should not substitute for a reading of the actual ASOPs.
- Reading ASOPs counts towards the 3 required professionalism CE credits.



Structure of the ASB

- The ASB has 9 members who are broadly representative of all areas of actuarial practice.
- The Academy Bylaws **require** that the members of the ASB **must** be broadly representative of all areas of actuarial practice.
- ASB members play a standard-setting role, not an advocacy role, and serve the profession rather than any individual interest groups or coalitions.



Standard-Setting Principles

- Actuarial Standards of Practice (ASOPs) should provide guidance for appropriate practice, not merely codify current practice or best practice.
- ASOPs set principles to guide actuaries and users of actuarial services, but do not replace professional judgment.
- ASOPs should apply as broadly as possible.
- Disclosure is a cornerstone of compliance with standards.



Applicability

- Approximately 50 ASOPs are in place (with more on the way).
- Some apply in almost all situations (e.g., the Data Quality and Actuarial Communications ASOPs).
- Others are much more specific.
- The Council on Professionalism's Applicability Guidelines assist actuaries in identifying which ASOPs apply in specific situations.



Structure of ASOPs

Cross-Practice ASOPs

ASOP 1 Introductory ASOP

ASOP 41 Actuarial Communication

ASOP 12	Risk Classification
ASOP 17	Expert Testimony by Actuaries
ASOP 21	Responding to or Assisting...
ASOP 32	Social Insurance

ASOP 23	Data Quality
ASOP 25	Credibility Procedures
Exposure	Modeling
TBD	Assumptions

Practice-Specific ASOPs

Casualty

ASOP 13, 19, 20,
29, 30, 36, 38, 39,
43

ERM

ASOP 46, 47

Health

ASOP 3, 5, 6, 8,
11, 18, 19, 22, 26,
28, 42, 45, 49, 50

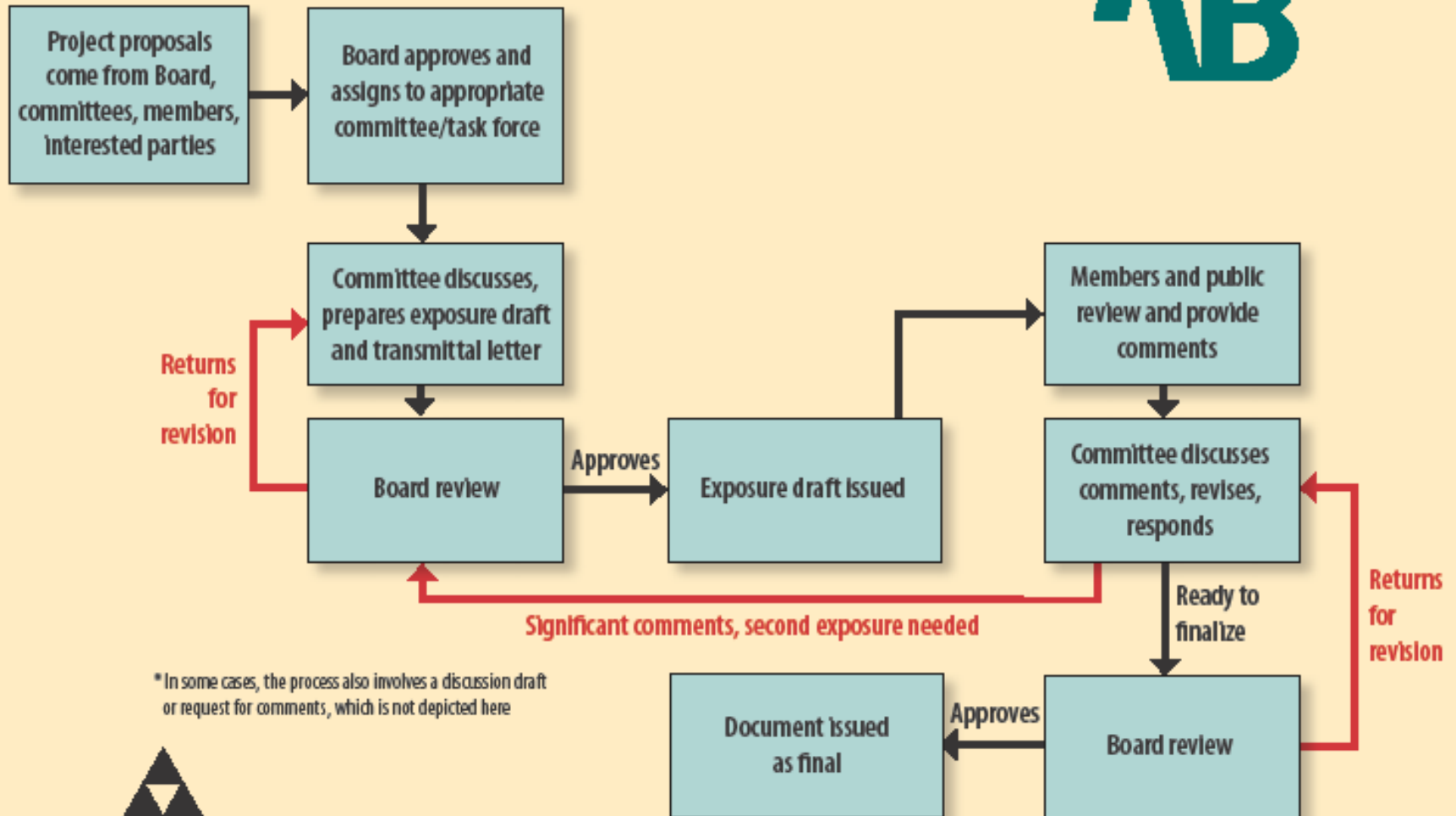
Life

ASOP 2, 7, 10,
11, 15, 19, 22, 24,
33, 37, 40, 48

Pension

ASOP 4, 6, 27,
34, 35, 44

Actuarial Standards-Setting Process*



* In some cases, the process also involves a discussion draft or request for comments, which is not depicted here

Questions and Discussion

