

How to Develop an ASOP

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Agenda

- Need for ASOPs
- Proposing an ASOP
- Selecting the Task Force
- The Drafting Process
- Exposure Period
- Response to Comments,
- Publishing the ASOP

Actuarial Standards

- Standards of practice serve to assure the public that actuaries are professionally accountable.
- *The Actuarial Standards Board (ASB) establishes and improves standards of actuarial practice. These Actuarial Standards of Practice (ASOPs) identify what the actuary should consider, document, and disclose when performing an actuarial assignment.*

Proposing an ASOP

- May be proposed by Individual (Actuary or other professional)
- Most often proposed by American Academy of Actuaries' Committee or Work Group
- Proposal Reviewed by Actuarial Standards Board (ASB)

Selecting the Task Force

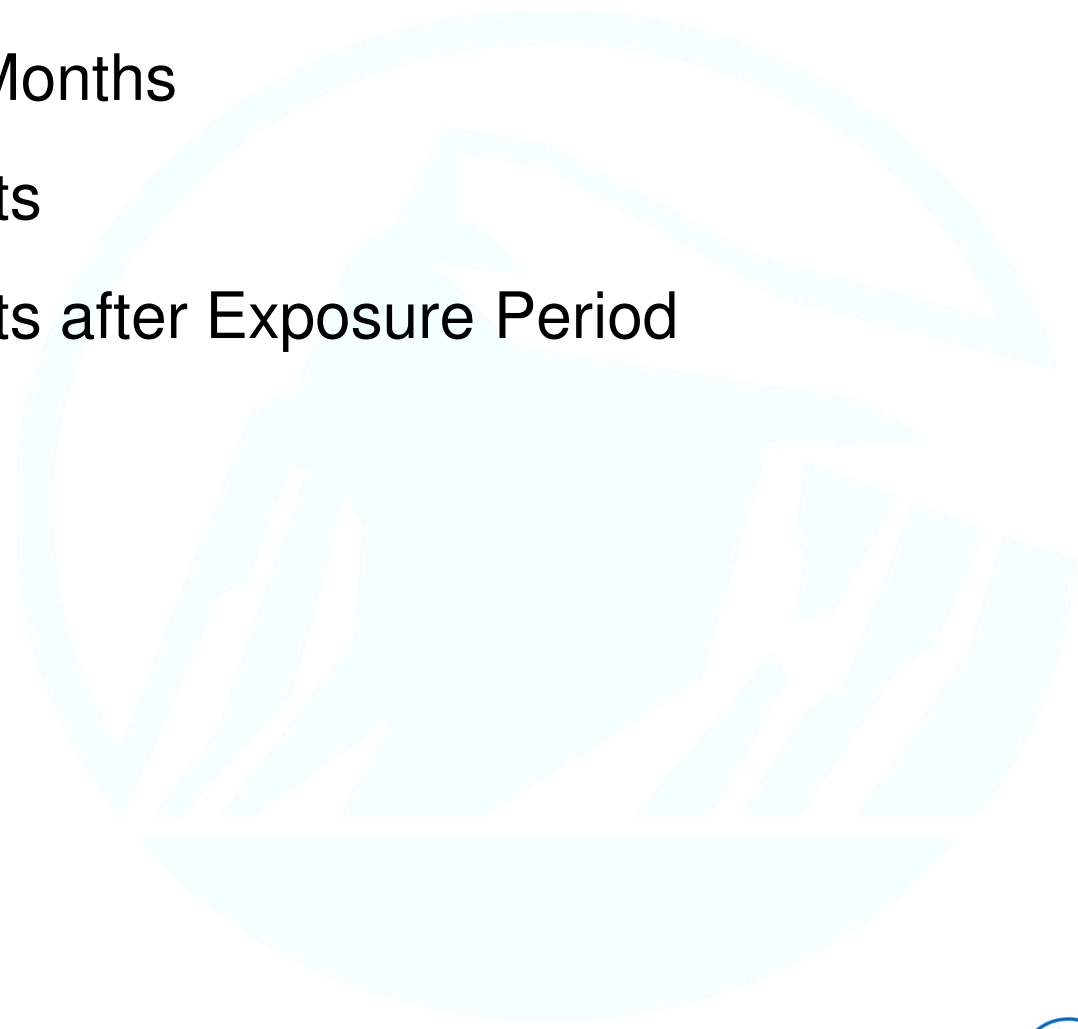
- ASB has control over who to include
- Diverse Group of Practitioners
- Balance the Size of the Group
- Experience Counts

The Drafting Process

- What Should be Included?
- What Should be Left Out?
- How to Phrase the Issues
- How to Format the ASOP
- Role of ASB

Exposure Period

- Several Months
- Comments
- Comments after Exposure Period



Response to Comments

- Must Respond to EACH comment
- Responses are Published
- Response may be TF Disagrees
- Review with ASB

Publishing the ASOP

- Multiple Exposure Periods Possible
- Phrasing is Important
- Effective After 90 Days
- (May be followed prior to 90 days)