



NEWS RELEASE

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Revised Introductory ASOP Sets the Ground Rules for All Actuarial Standards of Practice

WASHINGTON – June 6, 2013 – A significantly revised Introductory Actuarial Standard of Practice (ASOP) that helps to clarify basic terminology and concepts used throughout all ASOPs went into effect for all actuarial services performed on or after June 1, 2013.

[Actuarial Standard of Practice No. 1](#), Introductory Actuarial Standard of Practice, was adopted by the Actuarial Standards Board (ASB) in March 2013. It includes additional content and clarification of prior language, a new requirement that actuaries define the term “actuarially sound” when it is used to define a process or result, and sets the ground rules for all ASOPs.

Michael Abroe, chairperson of the ASB General Committee, and Mary Simmons, a member of the ASB General Committee, were involved with the ASOP No. 1 update process. “Each section of the ASOP contains changes and is intended for all actuarial work. Also, Appendices 1 and 2 provide background and responses to comments received,” Abroe said.

Simmons said she sees benefits from the updates for the profession: “I think that we are all better off if there is no confusion about basic terminology in the ASOPs and no confusion about basic concepts of when the ASOPs apply. ASOP No. 1 helps to clarify some of these basic concepts when the whole profession is reading the same words and interpreting them.”

On June 17, 2013, the American Academy of Actuaries will host the webinar, “[Setting the Ground Rules: Revised ASOP No. 1 and Other Key Information for Actuaries](#),” examining the new information contained in the revised ASOP No. 1, for actuaries in every practice area. Visit the “Calendar of Events” at www.actuary.org to register for the webinar.

Nonguaranteed Charges or Benefits for Life Insurance Policies and Annuity Contracts, which previously was numbered as ASOP No. 1, was changed, effective March 21, 2013, to ASOP No. 2.

(more)

Recommendations for Actuarial Communications Related to Statements of Financial Accounting Standards Nos. 87 and 88, formerly ASOP No. 2, was repealed on March 14, 2011, and does not apply to actuarial communications issued after that date.

The Actuarial Standards Board independently establishes and improves standards of actuarial practice. It was established within and is supported by the American Academy of Actuaries. For more information, visit www.actuarialstandardsboard.org.

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The American Academy of Actuaries is a 17,000-member professional association whose mission is to serve the public and the U.S. actuarial profession. The Academy assists public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.