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ACTUARIAL STANDARDS BOARD

Welcome to the Actuarial Standards Board's newsletter. Boxscore highlights and reports on the ASB's work in developing, updating, and promulgating actuarial standards of practice in the United States. Each issue provides information on ASB's current and upcoming projects, events, and recently completed projects.

Summer 2026

BOXSCORE

ASB Approves Exposure Drafts of Proposed Revisions of ASOP Nos. 45 and 49

The ASB recently approved exposure drafts of proposed revisions of Actuarial Standard of Practice (ASOP) No. 45, *The Use of Health Status-Based Risk Adjustment Methodologies*, and ASOP No. 49, now titled *Medicaid Managed Care Capitation Rates*.

ASOP No. 45 applies to actuaries when performing actuarial services with respect to selecting or using health status-based risk adjustment models to quantify differences in morbidity across organizations, populations, programs or time periods. It does not apply to actuaries when designing, reviewing, or modifying health status-based, risk adjustment models (including recalibration). The ASOP does not apply to actuaries when performing actuarial services related to programs that establish health-related obligations for an extended period of time. Notable changes from the existing ASOP include revising the scope to explicitly exclude actuarial services with respect to designing, reviewing, or modifying risk adjustment models; and revising guidance to better capture concepts related to quality and consistency of input data across organizations and time periods and with the data used to develop the models.

ASOP No. 49 applies to actuaries when developing, certifying, or reviewing Medicaid managed care capitation rates including, but not limited to:

- developing or certifying on behalf of a state to meet the federal requirements for actuarially sound capitation rates;
- developing or certifying on behalf of an MCO, if required as a component of a capitation rate bid or capitation rate acceptance;
- developing, certifying, or reviewing a department of insurance capitation rate filing;
- reviewing or opining on behalf of an MCO; and
- reviewing on behalf of a government agency.

Notable changes from the existing ASOP include providing additional examples of the types of work that may be in scope without modifying the scope of the standard; and adding guidance on additional items the actuary should take into account when developing managed care adjustments.

The comment deadline for both drafts is Sept. 1, 2026. Information on submitting comments can be found in the drafts.

ASB Approves Second Exposure Draft of Proposed ASOP on Reinsurance Pricing

The ASB also approved a second exposure draft of a new actuarial standard of practice (ASOP) titled *Pricing Reinsurance or Similar Risk Transfer Transactions Involving Life Insurance, Annuities, or Long-Duration Health Benefit Plans*. The ASOP applies to actuaries when performing actuarial services with respect to the pricing of reinsurance transactions or similar risk transfer transactions from the assuming entity perspective involving life insurance, annuities, or long-duration health benefit plans. The standard does not apply when the actuary's principal is the assuming entity and the actuary is pricing an underlying product on behalf of the ceding entity.

The first exposure draft was released in August 2024, on which 12 comment letters were received and considered in making the changes that are reflected in the second exposure draft. Notable changes made to the second exposure draft include modifying several definitions and adding a definition of "existing reinsurance transaction." In addition, guidance regarding "actual experience" and the "nonguaranteed reinsurance framework" was added, while guidance on "adjustments to pricing assumptions" and "adjustments to the model" was modified for clarity.

The comment deadline is Oct. 15, 2026. Information on how to submit comments can be found in the draft.

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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.

Looking Ahead...

The ASB tentatively plans to review the following drafts during its September 2026 meeting:

- a proposed final revision of ASOP No. 41, *Actuarial Communications*.

Meetings

- **SEPTEMBER 22–23, 2026 (MINNEAPOLIS, MN)**
- **DECEMBER 2–4, 2026**

ASB meetings are held in compliance with the meeting policy established by the American Academy of Actuaries. The ASB office should be notified of any intent to observe the meetings at least 10 days in advance of the meeting by contacting Director of Professionalism Erica Kennedy at kennedy@actuary.org. Unless otherwise noted, meetings take place at the American Academy of Actuaries office in Washington, D.C.

ASB Projects

SUBJECT AREA	2026 QUARTER 1	2	3	4	COMMENTS
CASUALTY COMMITTEE					
ASOP No. 20, *Discounting of Property/Casualty Claim Estimates*	F	F			The ASB adopted a revision of ASOP No. 20 in December 2025 with an effective date of June. 1, 2026.
ASOP No. 30, *Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking*	R	R			The ASB approved a second exposure draft in March 2026 with a comment deadline of July 1, 2026. The task force is reviewing comments, making revisions, and plans to present a proposed final revised ASOP to the ASB during its December 2026 meeting.
ASOP No. 39, *Treatment of Catastrophe Losses in Property/Casualty Insurance Ratemaking*	R	R			The ASB approved a second exposure draft in March 2026 with a comment deadline of July 1, 2026. The task force is reviewing comments, making revisions, and plans to present a proposed final revised ASOP to the ASB during its December 2026 meeting.
ASOP No. 43, *Property/Casualty Unpaid Claim Estimates*	TF	D			The ASB approved a proposal to revise ASOP No. 43 in December 2025. A task force has been created and is drafting an exposure draft for the ASB to review in early 2027.
GENERAL COMMITTEE					
ASOP No. 1, *Introductory Actuarial Standard of Practice*	D	D			A task force is drafting a proposed revision and plans to present an exposure draft to the ASB during its December 2026 meeting.
ASOP No. 12, *Risk Classification*	R	R			The ASB approved an exposure draft in September 2023 with a comment deadline of May 1, 2024. The task force is reviewing comments, making revisions, and plans to present a second exposure draft to the ASB during its December 2026 meeting.
ASOP No. 41, *Actuarial Communications*	TE	R			The ASB approved a third exposure draft in December 2025 with a comment deadline of June 1, 2026. The task force is reviewing comments, making revisions, and plans to present a proposed final revised ASOP to the ASB during its September 2026 meeting.
HEALTH COMMITTEE					
ASOP No. 8, *Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health Benefits*	TF	TF			The ASB approved a proposal to revise ASOP No. 8 in September 2024. A task force has been formed and will begin drafting a revision of the standard. The ASB plans to review an exposure draft in early 2027.
ASOP No. 45, *The Use of Health Status Based Risk Adjustment Methodologies*	D	E			The ASB approved an exposure draft in March 2026 with a comment deadline of Sept. 1, 2026.
ASOP No. 49, *Medicaid Managed Care Capitation Rate Development and Certification*	D	E			The ASB approved an exposure draft in March 2026 with a comment deadline of Sept. 1, 2026.
LIFE COMMITTEE					
ASOP No. 7, *Analysis of Life, Health, or Property/Casualty Insurer Cash Flows*	F	F			The ASB adopted a revised version of ASOP No. 7 in December 2025 with an effective date of June. 1, 2026.
ASOP No. 52, *Principle-Based Reserves for Life Products under the NAIC Valuation Manual*	D	D			The ASB approved a proposal to revise ASOP No. 52 in September 2025. A task force has been approved, is drafting a proposed revision, and plans to present an exposure draft to the ASB during its early 2027.
Reinsurance Pricing ASOP	R	SE			The ASB approved a second exposure draft in June 2026 with a comment deadline of Oct. 15, 2026.
PENSION COMMITTEE					
ASOP No. 6, *Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions*	E	R			The ASB approved an exposure draft in November 2025 with a comment deadline of May 15, 2026. The task force is reviewing comments, making revisions, and plans to present a second exposure draft to the ASB during in 2027.

Legend:

PD	Planning/Discussion	TE	Third Exposure Draft
P	Proposal for Standard	R	Revisions/Redrafting
D	Drafting	F	Final Pronouncement
DD	Discussion Draft	DS	Development Suspended
E	Exposure Draft	WD	Working Draft
SE	Second Exposure Draft	RI	Request for Input