

How to Write an ASOP

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Agenda

- Why Write an ASOP?
- Who Writes the ASOP?
- Why are ASOPs so Long (or Short)?
- It's Written – Then What Happens?
- 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 approves 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)

Who Writes the ASOP? (Selecting the Task Force)

- Diverse Group of Practitioners
- Balance the Size of the Group
- Experience Counts

Why are ASOPs so LONG? (The Drafting Process)

- What should be included?
- What should be left out?
- How to phrase the guidance
 - The Actuary Should ...
 - The Actuary May ...
- Format the ASOP according to ASB template

After Writing an ASOP

- Exposure Period
 - Several months
 - Comments published as received
- Response to Comments
 - Must respond to EACH comment
 - Responses are Published
 - Response may be TF Disagrees

Publishing the ASOP

- Multiple Exposure Periods possible
- Phrasing is important
- Effective after X days
- Good practice to follow the guidance immediately