

Actuarial Standards Board Guidelines for Re-Exposure

Introduction

Step 3 of the Policy on Due Process for the Adoption of Standards of Practice provides that a repetition of the exposure draft stage may be required in some cases. In particular, the Actuarial Standards Board (ASB) must decide whether or not the required changes to the revisions to standards, based on input received on the prior exposure draft, are substantial enough to necessitate a repetition of the exposure draft stage.

Implications

The decision regarding re-exposure is an important one. Although re-exposing revisions to standards will result in additional work and a delay to the adoption of the final standards, the implications of failing to re-expose, where appropriate, could potentially be significant and result in a failure to follow due process.

Considerations Impacting ASB Decision

The decision regarding re-exposure is a subjective one, and requires judgment by the ASB.

If there are substantive conceptual changes from the most recent exposure draft and those changes were not discussed in prior communications, re-exposure would normally be required. If there are substantive conceptual changes from the most recent exposure draft, but the new approach taken was discussed in earlier communications, re-exposure may or may not be required based on the extent of the changes, the extent of the discussion of the relevant issues in the prior communications and the scope of comments received on the prior exposure draft.

Some other issues for the ASB to consider when reviewing changes since the prior exposure draft, and evaluating the need to re-expose, include the following:

- If there are no changes since the exposure draft, and if conditions have not changed, there is likely no need to re-expose.
- If conditions have changed (for example, relevant legislation, economic factors), then re-exposure may be appropriate.
- Consistency with past practices regarding re-exposure is normally desirable.
- Although there may be few wording changes, if the conceptual changes are significant, there is likely a need to repeat the exposure draft step.

- If conceptual changes from the prior exposure draft are not significant, re-exposure is likely not required as a result of wording changes unless such changes are very extensive.
- If CIA members in general, or a group of CIA members (for example, members in a single practice area or members working in one jurisdiction), or another interested party, might consider that the changes are significant, then re-exposure may be appropriate.
- A decision on re-exposure should take into account any previous communications with CIA members and other interested parties and the expectations that might have arisen as a result of such communications.
- If the changes are within a range identified in the exposure draft, then re-exposure may not be necessary. If the changes are outside a range identified in the exposure draft, then re-exposure may be appropriate.
- If the changes reduce compliance requirements, then there may be less need to re-expose.
- If the changes are limited to wording adjustments to clarify the revisions to standards, then re-exposure may not be necessary.