

To All Fellows,

With the issuance of IC Circular Letter No. 23-2012 on the **Valuation of Transitory Pre-Need Reserves**, we would like to remind fellows conducting actuarial valuation for pre-need companies to continue to be guided by the following:

- 1) **Standards of Actuarial Practice in Pre-Need** adopted on November 18, 2005; and
- 2) **ASP Guidelines Governing the Implementation of the Amended Pre-Need Rule 31 (PNUCA)** issued on January 16, 2008, as they may apply.

More importantly, in issuing actuarial certifications, please be guided by Annex B (Actuarial Valuation Certificate) of the ASP relative to Pre-Need Rule 31 as to the content, disclosure and qualification. The actuary's certificate should remain essentially the same except that it should now refer to the Pre-Need Reserve required by the Insurance Commission instead of the SEC.

Finally, as recommended by the PSRC, please consider that in the adoption of assumptions for liability valuation, the method used in valuing assets set aside for the pre need plans should be taken into account. In particular, the asset valuation method used (e.g. mark to market) and related assumptions used should be considered.

Attached are the pertinent documents for your reference.

Sincerely,

A handwritten signature in black ink, appearing to read 'R-G' or similar initials, written in a cursive style.

Romeo G. Carabeo  
President