



AMERICAN ACADEMY *of* ACTUARIES

Thomas S. Terry, MAAA, FSA, FCA, EA, *President*

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VIA EMAIL – eking@naic.org

Richard Marcks, Chairperson
National Association of Insurance Commissioners (NAIC)
Joint Qualified Actuary (A/B/C) Subgroup
c/o Eric King
National Association of Insurance Commissioners
1100 Walnut Street, Suite 1500
Kansas City, MO 64106-2197

Re: Definition of “qualified actuary”

Dear Richard:

The American Academy of Actuaries appreciates this opportunity to provide further comments on the Joint Qualified Actuary (JQA) Subgroup’s exploration of a uniform definition of a qualified actuary.

Current Definitions

The Academy is supportive of retention of the current definitions in the Life, Health, and Property/Casualty Instructions. We are not aware of any compelling reasons to change definitions that are already recognized and in place in the 50 states to facilitate states’ regulatory oversight.

Alternative Definitions

Nevertheless, the Subgroup has asked for additional input that would inform its exploration of possible uniform definitions.

In considering alternative definitions, we urge the Subgroup to avoid any changes that would either directly or indirectly weaken the existing definitions. With this in mind, we offer these two possible uniform definitions for your consideration:

OPTION 1. (Uniform definition in life, health and property/casualty instructions)

“Qualified Actuary” is a member of the American Academy of Actuaries who meets the basic education, experience and continuing education requirements of the Specific Qualification Standards for actuaries signing Statements of Actuarial Opinion related to the NAIC Life and A&H, the NAIC Property and Casualty, and the NAIC Health Annual Statements, as set forth in Section 3 of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States, promulgated by the American Academy of Actuaries.

Drafting note: This simple definition works for all three areas. As the national organization for U.S. actuaries, membership in the Academy requires that applicants must certify their willingness to comply with the Code of Professional Conduct of the American Academy of Actuaries, the Actuarial Standards of Practice promulgated by the Actuarial Standards Board, and the Qualification Standards for Statements of Actuarial Opinion promulgated by the Academy through its Committee on Qualifications. Failure or refusal to provide such a certification is grounds for denial of a membership application. Additionally, nonresidents and new residents of the U.S. must certify their familiarity with U.S. laws and practices in their actuarial practice area.

OPTION 2. (Uniform definition in life, health and property/casualty instructions)

“Qualified Actuary” is:

(i) A member of the American Academy of Actuaries who meets the basic education, experience and continuing education requirements of the Specific Qualification Standards for actuaries signing Statements of Actuarial Opinion related to the NAIC Life and A&H, the NAIC Property and Casualty, and the NAIC Health Annual Statements, as set forth in Section 3 of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States, promulgated by the American Academy of Actuaries,

or

(ii) a member of the American Academy of Actuaries who is recognized by the American Academy of Actuaries as qualified for such actuarial valuation.

Drafting note: This simple definition also can work for all three areas. In addition to having the same language as in Option 1, it provides for alternative approval possibilities. These alternatives would, without requiring specific reference to them, include the Casualty Practice Council’s established review process in place to review qualifications for signing casualty loss review opinions, and, should the NAIC desire it, the Academy will commit to working with the NAIC to establish other review processes through which specific approval could be given.

Importance of Maintaining Focus on a US Credential

The Academy is the national association of actuaries in the United States. Since 1965, the Academy has been the home of US actuarial practice and professionalism. As such, membership in the American Academy of Actuaries has long been recognized as the hallmark of a qualified actuary in the United States.

The Academy and the NAIC have a shared goal of effective insurance regulation and oversight in the US. This common ground is the foundation for our important, ongoing dialogue about those things that matter to the US public: actuarial practice and conduct standards, actuarial qualification standards and actuarial discipline processes.

The MAAA is the US national actuarial credential. As such, it is the credential that directly manifests the critical linkage between the practicing actuary in the US and the ongoing, dynamic practice and professionalism dialogue between the NAIC and the Academy. It is the credential that is emblematic of our shared goal of effective insurance regulation and oversight in the United States.

We appreciate this opportunity to comment and we look forward to working with you further on this and other important issues under consideration before the NAIC. Cecil Bykerk will be participating on the January 22 Subgroup conference call and will represent our perspective and be available to answer any questions you may have.

Should you have any questions regarding these comments, feel free to contact Craig Hanna, the Academy's Director of Public Policy (hanna@actuary.org / 202-223-8196).

Sincerely,

Tom Terry
President

cc: Membership, NAIC Jt. Qualified Actuary Subgroup
Rich Piazza, Chair, NAIC Casualty Actuarial & Statistical Task Force
Steve Ostlund, Chair, NAIC Health Actuarial Task Force
Mike Boerner, Chair, NAIC Life Actuarial Task Force