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AMERICAN ACADEMY *of* ACTUARIES

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Mary D. Miller, MAAA, FCAS  
*Academy Past President*

July 25, 2018

Kris DeFrain, FCAS, MAAA, CPCU  
Director of Research and Actuarial Services  
National Association of Insurance Commissioners (NAIC) Central Office

Re: June 25 CASTF Exposure, Attestation Proposal

Dear Kris:

On behalf of the American Academy of Actuaries<sup>1</sup> I have several concerns with the Casualty Actuarial and Statistical Task Force's (CASTF) current attestation proposal. While I applaud the direction Paragraph 1 takes in recognizing the role of Boards of Directors to appoint qualified actuaries, there are still areas of duplication as well as omissions from what a company should obtain from their actuary. This exposed version has dropped the previous statement regarding the availability of the Academy's attestation form as a possible way to meet such a requirement. In fact, there is no mention at all of the form the attestation should take. This lack of detail will not be helpful to appointed actuaries or to company Boards and both would benefit from some model of what they should be requesting, receiving, and providing. The Academy form was developed to meticulously align with the exact wording of the U.S. Qualification Standards (USQS) so as to neither increase nor reduce the specific requirements. Without such guard rails, there will be a greater burden on the regulator who would then need to make sure that whatever language is used by the appointed actuary to attest does not in any way modify the requirements of the USQS.

The requirement to provide the complete detailed documentation annually as well as summary documentation in the Actuarial Report seems to be an unnecessary duplication. Since Actuarial Reports are only provided to the regulator on request or during an examination, the regulator could simply request the documentation when they request the Report or ask for it separately if they so

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<sup>1</sup> The American Academy of Actuaries is a 19,500-member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policy makers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.

desire. In addition, for any company or group retaining the same actuary as the previous year, the only thing that will change is the continuing education documentation. The other elements are not likely to change and thus they can be maintained at the company for as long as the actuary continues to be the appointed actuary. There would be no need to prepare a separate annual summary report.

The language in Paragraph 1A. (iii) is unnecessary if an actuary attests he/she meets the USQS. The same is true for the language that has been inserted in Paragraph 3.

Paragraph 7. should be restated to indicate that the Actuary's documentation of his/her qualifications should be maintained either for seven years or for as long as the individual remains the appointed actuary, whichever is greater. It would also be clearer if the Instructions said the documentation should be presented to the Board by Dec 31 to maintain the consistency regarding the obligations of the Board as that is the body to which any request to review it would be made.

As requested, the Academy's comments have been restricted to the attestation items and I look forward to addressing the other elements of the qualified actuary definition after a future exposure.

Sincerely,

Mary D. Miller, MAAA, FCAS  
Past President, American Academy of Actuaries