

Life Actuarial (A) Task Force/ Health Actuarial (B) Task Force Amendment Proposal Form

1. Identify yourself, your affiliation and a very brief description (title) of the issue.

Arnold Dicke; Role of the Actuary Subgroup of the PBR Governance Work Group of the American Academy of Actuaries;
Definition of Actuarial Opinion

2. Identify the document, including the date if the document is “released for comment,” and the location in the document where the amendment is proposed:

Valuation Manual, January 1, 2018 Edition, Section VM-01.3

3. Show what changes are needed by providing a red-line version of the original verbiage with deletions and identify the verbiage to be deleted, inserted or changed by providing a red-line (turn on “track changes” in Word®) version of the verbiage. (You may do this through an attachment.)

See attachment.

4. State the reason for the proposed amendment? (You may do this through an attachment.)

VM-20.49 states: The term “qualified actuary” means an individual who is qualified to sign the applicable statement of actuarial opinion in accordance with the Academy qualification standards for actuaries signing such statements and who meets the requirements specified in the *Valuation Manual*.

VM-20.3 states: The term “actuarial opinion” means the opinion of an appointed actuary regarding the adequacy of reserves and related actuarial items.

Together, these two definitions imply that in order to be qualified to carry out responsibilities assigned to a “qualified actuary” in the Valuation Manual, an actuary must meet the Academy’ qualification standards for signing the opinion of the appointed actuary regarding the adequacy of reserves and related actuarial items. However, the responsibilities assigned to qualified actuaries in the Valuation Manual, with the exception of the responsibilities assigned to the appointed actuary in VM-30, do not require the same qualification standards as those required for signing the actuarial opinion on the adequacy of reserves and related actuarial items. This APF proposes replacing definition VM-01.3 with a new definition of “statement of actuarial opinion” that is consistent with that in the Academy’s qualification standards. The result of this amendment would be that the “qualified actuary” would be required to meet those requirements of the Academy’s qualification standards (formally, the “US Qualification Standards”) that apply to those statements of actuarial opinion that the actuary is rendering.

NAIC Staff Comments:

Dates: Received	Reviewed by Staff	Distributed	Considered
Notes:			

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Proposed changes to VM-01:

Delete VM-01.3:

~~3. The term “actuarial opinion” means the opinion of an appointed actuary regarding the adequacy of reserves and related actuarial items. (Used in Section III, *Actuarial Opinion and Report Requirements*; VM 05; VM 21; and VM 30.)~~

Add two new definitions as follows and renumber appropriately:

The term “actuarial services” means professional services, including the rendering of advice, recommendations, findings or opinions based on actuarial considerations, provided to a client or employer by an individual acting in the capacity of an actuary.

The term “statement of actuarial opinion” means an opinion expressed by an actuary in the course of performing actuarial services and intended by that actuary to be relied upon by the person or organization to which the opinion is addressed.