

**Comment 21—8/19/2021—1:38 p.m.**

Thank you for providing a summary of the key changes and items in the Second exposure draft of the USQS. Below are some comments, mostly related to the changes, but also suggesting updates to parts of the USQS that were not modified, but perhaps should be since the last update was over 10 years ago. These comments are my personal thoughts and do not reflect any input from my employees, or clients.

1. Is there a specific reason for using the term “fundamental education” in item 1.2 vs. “basic education” in item 1.3?

Section 1.2 states :

“An actuary who issues Statements of Actuarial Opinion must have achieved fundamental education and experience in relevant areas of actuarial practice and must maintain necessary expertise through continuing education.”

Section 1.3 states:

“the basic education and experience requirements and continuing education requirements for most Statements of Actuarial Opinion.”

2. The paragraph (see below) following 1.4 seems misplaced and should either have its own number, or be included after 1.3 that references the requirements.

“The USQS include basic education and experience requirements, and continuing education requirements. In order to comply with the USQS, an actuary is required to satisfy all of these elements.”

3. What is referenced by Section 2.1(c) sub item 2) “U.S. actuarial practices and principles.” ? The background description of this change states it is to ensure qualified actuaries are knowledgeable about “U.S. professionalism content”. I would interpret this as the ASOP’s and Code of Conduct, as outlined in the definition of “professionalism topics” in Section 2.2.6(c), but the terminology “US actuarial practices and principles” might mean US specific (vs. international) practices such as GAAP that are not “law”. Also, under the Section 3.3, which referenced continuing education for Specific Qualifications Standards, the term used is “applicable standards and principles”. Section 4.2 references “published actuarial principles, actuarial standards of practice (ASOPs)”. So perhaps the intent is to cite “US actuarial standards of practice and principles”? I believe the intent should be specifically stated. Actuaries can’t document compliance with an unclear requirement.
4. I applaud the clarifications added in 2.1(a) focusing on receipt of a designation instead of current membership for a demonstration of meeting basic education requirements.

5. I think an additional General Qualification requirement should be included about membership in an recognized actuarial association that has a Professional Code of conduct and the ability to discipline the actuary. This is distinct from meeting the Basic Education and Experience or Continuing Education requirements.
6. Section 2.1. d)(1) appears to have redundant language: “if education relevant to the particular subject of the SAO was available when the actuary chose a specific area of practice and obtained their designation in that area of practice, the actuary must have completed such education.” Is there a situation where a member could choose a specific area of practice and obtain their designation in that area of practice without completing the relevant education?
7. I realize that this is not a new requirement, but Section 2.1. d) 3) seems to impose significant restrictions on members that do not attain fellowship status in the CAS or SOA, especially if they decide to change areas of practice during their career. Why does Section 2.1.d)(2) only require a “minimum of one year of responsible actuarial experience in the particular subject relevant to the SAO under the review of an actuary who was qualified to issue the SAO at the time the review took place under the USQS in effect at that time” while non- fellowship members must have a minimum of 3? While this may have been a prudent requirement historically when the “associate” designation was materially lower in the SOA than it currently is, I believe the 3-year requirement should be revisited. Or is it the intention to encourage achieving the highest level of designation for basic education?
8. I find the definition of “bias” topics challenging, and perhaps not applicable to all SAO. While this is a topic that is currently very relevant to some practicing actuaries, I believe practicing actuaries could easily include this in the general definition of “relevant continuing education” and doesn’t need to be specifically identified (as is appropriate for limiting the hours spent on “general business skill” or ensuring minimum hours on “professionalism”). Note that although not explicitly using the term “bias”, “bias” seems to be incorporated as a mandatory consideration in several (if not most) ASOP, specifically those on Data Quality (ASOP23), Pricing (ASOP54) and Modeling (ASOP56). Further, “bias” is integrated in many other continuing education topics and may be difficult to isolate as a specific hour of continuing education to be documented. I’m concerned that this new requirement will not “stand the test of time” once the current emphasis, which may feel new, is once again recognized as fully embedded in actuarial practice.
9. Section 2.2.8 continues the use of the antiquated time tracking simplification of 50 minutes = 1 hour of continuing education. I personally find it unnecessarily cumbersome to translate all of my continuing education time into 50-minute “hours”. Can the requirements be translated into real hours?
10. While I agree with the addition of Section 2.1.2 regarding meeting prior USQS requirements for Basic Education and Experience, I believe a similar clarification should be included following Section 3.1.2. This section outlines a requirement for a signed statement related to alternative basic education be retained by the actuary. Similar to 2.1.2 the USQS should acknowledge that these “signed statements” were not always requirements, and “the actuary is not required to satisfy the basic education and experience requirements under any subsequent version of the USQS” .

11. I'm not clear as to the purpose of Section 4.2. Is this attempting to say that it is OK to spend continuing education hours of emerging practices and techniques "changes in application"? Isn't this already covered in the description of relevant continuing education in Section 2.2.6? What else is it trying to do?

Thanks for your thoughtful considerations in updating the USQS.

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