

Dear Committee on Qualifications:

Thank you for the opportunity to comment on the second exposure draft of the U.S. Qualification Standards. I am submitting these comments on behalf of myself and four other actuaries named below. This reflects our personal opinions and not those of our employer or any other affiliation.

We appreciate the COQ's intent in adding a minimum requirement for continuing education related to "bias topics". We agree with your statement that actuaries play an important role in helping maintain the public's trust in financial security systems, products, and services. We also recognize the heightened importance of that role as big data, artificial intelligence, and evolving regulatory and societal requirements/expectations affect such systems, products, and services.

We also affirm that it is essential for actuaries to have knowledge and perspective on bias topics to effectively perform many types of actuarial work. However, we question the necessity of a separate continuing education requirement for bias topics given that it already permeates many areas of actuarial practice and requirements and is perhaps more appropriately addressed in Actuarial Standards of Practice where applicable. As an example, ASOP 23 instructs that professional judgment should be applied to determine if the use of data may cause results to contain a significant bias. As with all professional judgment, this presumes that the actuary possesses sufficient knowledge and perspective and is responsible for ensuring that's the case.

If the COQ still believes that a specific requirement for bias topics is necessary, we believe a modification of the wording is necessary to avoid an unintended consequence. The current draft states in section 2.2.6(b) that:

"Bias topics include content that provides knowledge and perspective that assist in identifying and addressing biases that may exist in data, assumptions, algorithms, and models that impact Actuarial Services."

Our concern is that the phrase "addressing biases" could be interpreted to imply that all biases should be eliminated, and when combined with a broad definition of "bias", could be misconstrued to suggest that actuarially justified distinctions in underwriting insurance should not be permissible. We have already seen well-intentioned regulators and consumer advocates suggest far-reaching courses of action to address bias concerns that would restrict insurance risk classification in unintended ways. If this section remains in the USQS, we respectfully request the following revision:

"Bias topics include content that provides knowledge and perspective that assist in identifying and **addressing assessing the impact of any** biases that may exist in data, assumptions, algorithms, and models that impact Actuarial Services. Biases may include but are not limited to statistical, cognitive, and social biases."

Thank you for your consideration of these comments.

Respectfully,

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