

From the desk of Arthur J. Schwartz

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These are my comments on “Second Exposure Draft; Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion In The United States Including Continuing Education Requirements”.

Referring to 2.1 d (2) and (3) and 3.2: in the language: “have responsible actuarial experience in the particular subject relevant to the SAO under the review of an actuary who was qualified to issue the SAO” is too undefined in regard to what the term “under the review” means. It would be more helpful, and provide better guidance for those seeking to be in compliance, if this term were specifically defined; in terms of what is, and what is not, considered appropriate.

Referring to 2.26: Two comments. First, “Organized activities” should have its own paragraph. Second, the distinction between a “Live Webinar” as an “Organized Activity” while a “Recorded Webinar” as being an “Other Activity” should be clearer. In addition, “Other activity” may be better characterized as “Non-organized Activity”.

Referring to the Appendix 5, Sample Record Keeping Form, Number of hours should be replaced with: Actual minutes; actual hours; credit hours, where credit hours are actual hours times 1.2.

Referring to Appendix I, III *Application of US Qualification Standards to Public Service Actuaries*: my recommendation is that this section should be deleted. This section seems to set a special standard for public service actuaries; treating such actuaries as a sort of “rara avis”, (a rare bird, in Latin). Yet where are the similar standards for say, academic actuaries, who are also performing tasks different from actuaries employed by private sector insurers? Where are the similar standards for reinsurance actuaries? Where the similar standards for actuaries working for statistical organizations? Where are the similar standards for actuaries working for modeling firms, (catastrophe, credit, or telematics models)? By singling out the group of public service actuaries, the general public may get the perception that public service actuaries are held to a higher, a lower, or a different, set of standards than all other actuaries. This outcome would clearly be unfair.

Referring to Appendix 2, “SAMPLE ALTERNATIVE BASIC EDUCATION STATEMENT (SPECIFIC QUALIFICATION STANDARD)”, this section should be deleted. Three considerations stand out: First, a section like this may have had some value, decades ago, but in today’s litigious climate, no rational qualified actuary would sign such a statement. Second, if you had a choice of seeing a properly qualified and credentialed doctor, lawyer, accountant, engineer, nurse, or architect, versus someone who “got a statement from a qualified person saying that they were qualified by experience”, which would you choose? Deleting this section promotes the hard work and professionalism which we as actuaries, should encourage. Third, would someone who obtained such a statement really meet the continuing education requirements? A person who has not passed our exams, most likely would not meet continuing education requirements either. Fourth, if a Commissioner

chose to allow a person without the credentials to sign an SAO, especially for a smaller insurer, that would be entirely reasonable, yet this section would not be required to extend that permission.

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