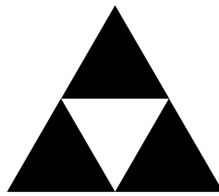


Frequently Asked Questions on the U.S. Qualification Standards

Developed and revised by the
Committee on Qualifications of the
American Academy of Actuaries



AMERICAN ACADEMY *of* ACTUARIES

Objective. Independent. Effective.[™]

The American Academy of Actuaries is a professional association with over 19,500 members, whose mission is to serve the public and the U.S. actuarial profession. The Academy assists public policymakers 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.

Revised October 2022

FAQs on the U.S. Qualification Standards

Contents

INTRODUCTION.....	1
GENERAL	1
1. To whom do the U.S. Qualification Standards apply?	1
2. If a credentialed actuary is working under the supervision of another credentialed actuary, does the actuary need to meet the requirements of the U.S. Qualification Standards?	1
3. Is it possible for an actuary to lose his or her actuarial credentials from one or more of the five U.S.-based actuarial organizations by issuing a Statement of Actuarial Opinion without meeting the U.S. Qualification Standards?.....	2
4. To what extent do the U.S. Qualification Standards cover non-actuarial services performed by actuaries?	2
5. If an actuary residing in the U.S. issues Statements of Actuarial Opinion relied on solely by Principals in other countries, must that actuary comply with the requirements of the U.S. Qualification Standards?.....	2
6. How do the U.S. Qualification Standards affect retired actuaries who are members of any of the five U.S.-based organizations?	2
7. Does an actuary need to include an Acknowledgment of Qualification statement in every actuarial communication, including emails?	3
BASIC EDUCATION AND EXPERIENCE.....	3
8. Do the three years of experience in the particular subject relevant to the SAO 2.1(d)(2) or the single year under 2.1(d)(1) (ii) need to be obtained while working directly under a qualified actuary who is preparing actuarial opinions?	3
9. Does the work experience gained while obtaining the basic education credential count as responsible actuarial experience under sections 2.1(b) and (d)?	3
10. How does section 2.1(d) apply with respect to a particular subject area?	4
11. How does the experience required in section 2.1(b) relate to the experience required in section 2.1(d)?	4
PRACTICE AREA	4
12. What qualification standards apply for an actuary issuing Statements of Actuarial Opinion in more than one practice area?	4
13. If an actuary is qualified to issue Statements of Actuarial Opinion (SAOs) in an emerging area that later becomes the subject of a Society of Actuaries specialty track, must the actuary then meet the requirements in the General Qualification Standard (section 2.1[d]) to remain qualified?	5
14. In section 4.1, Changes in Practice Area, subsections 4.1.1, General Qualification Standard, and 4.1.2, Specific Qualification Standard, does the clause “that is relevant to Statements of Actuarial Opinion to be issued in the new area of practice” apply to just “obtaining	

FAQs on the U.S. Qualification Standards

continuing education” or to BOTH “obtaining continuing education” and “meeting the applicable basic education and experience requirement”?	5
15. How do the continuing education requirements of the U.S. Qualification Standards affect enrolled actuaries?	6
STATEMENT OF ACTUARIAL OPINION	6
16. Under the U.S. Qualification Standards, what constitutes a Statement of Actuarial Opinion, in the case of both private sector and public sector actuaries?	6
17. Is it possible to designate a communication as “not a Statement of Actuarial Opinion” by marking it as such, or by marking it “draft”?	7
18. In determining whether a particular Actuarial Service is a Statement of Actuarial Opinion, how should gray areas be interpreted?.....	7
19. If an actuary who meets the Casualty Actuarial Society’s or the Society of Actuaries’ continuing professional development (CPD) requirements for issuing Statements of Actuarial Opinion (SAOs) outside the U.S. begins to perform Actuarial Services in the U.S., can this person render SAOs in the U.S. even though they have not yet completed the requirements of the U.S. Qualification Standards?	8
20. Which of the following situations are Statements of Actuarial Opinion?	8
21. If an actuary creates a software tool that another actuary uses to form an actuarial opinion, is the actuary who created the tool also issuing a Statement of Actuarial Opinion?.....	8
SPECIFIC QUALIFICATION STANDARDS	9
22. With regard to the Specific Qualification requirements, do the three years of experience need to be obtained while working directly under a qualified actuary who signs the applicable annual statement actuarial opinion?.....	9
23. Section 3 of the USQS describes the education, experience, and continuing education requirements for signing certain NAIC opinions, but to the extent the NAIC Annual Statement Instructions set additional requirements, how do actuaries determine whether they are qualified to sign the NAIC opinion?.....	9
24. Does the 15 hours of CE needed to meet the Specific Qualification Standard need to be distributed evenly across the topics mentioned for a specific NAIC statement in section 3.1?	10
25. If an actuary signs an NAIC Statement of Actuarial Opinion (SAO) for both a life insurance company and a property and casualty company, what specific continuing education requirements apply?.....	10
26. Do the Specific Qualification Standards require 15 continuing education hours a year in addition to the 30 hours required by the General Qualification Standard?.....	10
27. Can a session on professionalism or bias count toward the Specific Qualification requirements of section 3 of the U.S. Qualification Standards for signing an NAIC opinion?..	10
CONTINUING EDUCATION	11
General Continuing Education	11
28. How much continuing education is required under the U.S. Qualification Standards?.....	11

FAQs on the U.S. Qualification Standards

29.	How are continuing education hours calculated?	11
30.	Does the continuing education requirement include limitations on the topics covered?.....	11
31.	Is there any flexibility in the calendar-year continuing education requirement?.....	12
32.	Can continuing education hours be carried over from one year to the next?	12
33.	What information should an actuary maintain as evidence of compliance with the continuing education requirements of the U.S. Qualification Standards?	12
34.	If an actuary recently became a member of one of the five U.S.-based actuarial organizations, when does that actuary need to comply with the requirements of the U.S. Qualification Standards? Does continuing education earned prior to becoming credentialed count toward this requirement?	13
Relevant Continuing Education		14
35.	If an actuary attends a 90-minute session and finds only 60 minutes relevant or the session ends early, does the actuary count only 60 minutes toward continuing education?	14
36.	What continuing education topics would be considered “general business skills”?.....	14
37.	Would time spent on current events in pertinent trade journals or other periodicals (for example <i>Contingencies</i> or <i>The Wall Street Journal</i>) qualify as “other continuing education”?	14
38.	Is “on the job” learning considered continuing education?	14
39.	How does committee work, such as exam committee work, count toward continuing education requirements? Is any of it considered “organized”?.....	15
40.	Is there a limit to the maximum hours spent studying for actuarial exams that can be counted as annual continuing education?	16
41.	Does studying for Chartered Property Casualty Underwriter (CPCU) or Chartered Financial Analyst (CFA) exams qualify as continuing education?	16
42.	Is Canadian or other non-U.S. continuing education considered relevant for the U.S. Qualification Standards (USQS)?.....	16
43.	Does the Committee on Qualifications have any further suggestions to help actuaries determine what constitutes “relevant continuing education” under section 2.2.6 of the U.S. Qualification Standards, particularly in the context of presenters or faculty at sessions or seminars?	17
Organized Activity Continuing Education.....		17
44.	How much of the continuing education is required to be an “organized activity”?	17
45.	Do webinars and e-learning, such as Society of Actuaries’ online modules, count as “organized activities”? Suppose an “actuarial community” held a conference call, with two presenters and live interaction among the actuaries on the call. Does this constitute an “organized activity”?	17
46.	Do the following count (a) as relevant continuing education and (b) as “organized” activities:	18
47.	Can in-house meetings qualify as an “organized” continuing education activity?.....	19
48.	Does a foreign branch of a multinational company constitute a “different organization” for purposes of interacting with other actuaries from different organizations?	19

FAQs on the U.S. Qualification Standards

49. If an actuary has lunch with an actuary from another organization and they discuss current actuarial issues, does this qualify as an “organized activity” under the U.S. Qualification Standards?.....	19
Professionalism Continuing Education.....	20
50. What kinds of continuing education (CE) are considered professionalism CE hours under the U.S. Qualification Standards?.....	20
51. Can one hour of organized continuing education about professionalism or bias count as meeting the professionalism or bias requirement and also count as one hour of the 6 organized hours required?.....	20
52. In the U.S. Qualification Standards, reading actuarial standards of practice is included as an example of professionalism. Are activities related to learning or reading practice notes or NAIC Actuarial Guidelines considered professionalism?	20
53. How does diversity, equity, or inclusion training count toward professionalism topics, bias topics, and general business skill topics under the continuing education requirements in the U.S. Qualification Standards?.....	21
PRINCIPLE-BASED RESERVES QUALIFICATIONS	21
54. What are the minimum requirements an actuary should consider to be qualified to render opinions related to principle-based reserves under the U.S. Qualification Standards?	21
QUALIFICATIONS FOR BLENDED OPINIONS.....	22
55. How does an actuary meet the qualification requirements to issue statements of actuarial opinion (SAOs) that blend elements of two or more areas of actuarial practice? What qualification requirements apply when the blended SAO involves the review of or relies upon the work or opinion of another actuary?.....	22
56. What are the minimum requirements an actuary should consider to be qualified to render opinions related to Long-Term Care Policies under the U.S. Qualification Standards?	24
OTHER	25
57. I have a question about the U.S. Qualification Standards that isn’t addressed here. Where can I get an answer?.....	25

FAQs on the U.S. Qualification Standards

INTRODUCTION

The *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* (U.S. Qualification Standards or USQS) define the basic and continuing education and experience requirements for issuing statements of actuarial opinion (SAOs) in the United States. The U.S. Qualification Standards were revised effective January 1, 2022 for statements of actuarial opinion issued on or after January 1, 2023. The USQS were developed by the Committee on Qualifications (COQ) and approved by the American Academy of Actuaries (the Academy) Board of Directors.

The Academy's COQ is responsible for responding to questions about the qualification standards. These FAQs contain over 50 questions and the COQ's carefully considered responses to questions about the USQS revised in 2008 and updated in 2022.

GENERAL

1. To whom do the U.S. Qualification Standards (USQS) apply?

The USQS apply to members of the five U.S.-based actuarial organizations that have adopted the *Code of Professional Conduct*. The organizations are the American Academy of Actuaries, American Society of Enrolled Actuaries (ASEA), Casualty Actuarial Society (CAS), Conference of Consulting Actuaries (CCA), and Society of Actuaries (SOA). Actuaries who are working outside the United States and who are not members of a U.S.-based organization may be required by their actuarial organization to meet the USQS when practicing in the United States. The USQS does not address these situations.

Last revised January 2022

2. If a credentialed actuary is working under the supervision of another credentialed actuary, does the actuary need to meet the requirements of the U.S. Qualification Standards (USQS)?

All actuaries providing any Statement of Actuarial Opinion (SAO), oral or written, in the U.S. in a calendar year must comply with the USQS. Considering the broad definition of an SAO in the USQS, it is highly likely that any actuary performing Actuarial Services will at some point during the course of the actuary's work issue an oral or written statement that meets the definition of an SAO. To avoid violating Precept 2 of the *Code of Professional Conduct*, all actuaries performing Actuarial Services in the U.S. should comply with the USQS (section 1 and appendix 1).

Last revised January 2022

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

3. Is it possible for an actuary to lose his or her actuarial credentials from one or more of the five U.S.-based actuarial organizations by issuing a Statement of Actuarial Opinion (SAO) without meeting the U.S. Qualification Standards (USQS)?

By issuing an SAO without meeting the USQS, an actuary may violate Precept 2 of the *Code of Professional Conduct (Code)*. Violating the *Code* could ultimately lead to a recommendation of discipline from the Actuarial Board for Counseling and Discipline and actual discipline taken by the actuary’s member organizations, including public reprimand, suspension, or expulsion from the appropriate actuarial organizations, causing an actuary to lose his or her credentials.

Last revised January 2022

4. To what extent do the U.S. Qualification Standards (USQS) cover non-actuarial services performed by actuaries?

The USQS apply only to actuaries who issue Statements of Actuarial Opinion (SAOs) in the United States. SAO is defined in section 1 of the USQS, and appendix 1 contains examples of SAOs and non-SAOs. If an actuary does not issue any SAOs, then the USQS do not apply (appendix 1). Note that only opinions “expressed 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” are SAOs.

Last revised January 2022

5. If an actuary residing in the U.S. issues Statements of Actuarial Opinion (SAOs) relied on solely by Principals in other countries, must that actuary comply with the requirements of the U.S. Qualification Standards (USQS)?

The USQS applies to actuaries providing SAOs in the United States. Under Precept 2 this means the actuary “renders actuarial services” in the United States. If an actuary renders actuarial services outside the U.S., the actuary must comply with the qualification requirements in the country where the actuary’s SAOs are “being rendered” under Precept 2 of the *Code of Professional Conduct*. If that country has no qualification standards, the actuary must still comply with Precept 2 of the *Code*, which states that an actuary shall perform Actuarial Services only when qualified to do so.

Last revised December 2014

6. How do the U.S. Qualification Standards (USQS) affect retired actuaries who are members of any of the five U.S.-based organizations?

Actuaries issuing Statements of Actuarial Opinion (SAOs) in the United States must comply with all of the requirements in the USQS regardless of their status as “retired” (sections 2 and 3). If an actuary is retired and does not issue any SAOs, then the USQS would not apply to that actuary. However, there are no grace periods in the USQS for

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

retirees, so, if an actuary issues an SAO, even one SAO and without remuneration in the U.S., the actuary must meet the USQS, which includes the CE requirements.

Last revised January 2022

7. Does an actuary need to include an Acknowledgment of Qualification statement in every actuarial communication, including emails?

Section 5 of the U.S. Qualification Standards (USQS) states that every Statement of Actuarial Opinion should include an appropriate acknowledgement of the actuary's qualifications. ASOP No. 41, *Actuarial Communications*, notes that actuarial communications are often an ongoing and iterative process. As such, it may not be necessary for an actuary to include their qualifications in every piece of communication. The Committee has stated that it would be appropriate in a long-term, ongoing relationship with a client or employer that the actuary acknowledge at least once a year that the actuary has met the USQS.

Last revised December 2014

BASIC EDUCATION AND EXPERIENCE

8. Do the three years of experience in the particular subject relevant to the SAO 2.1(d)(2) or the single year under 2.1(d)(1) (ii) need to be obtained while working directly under a qualified actuary who is preparing actuarial opinions?

Per section 2.1(d)(1)(ii) and 2.1(d)(2), the three years of experience must have been under review by an actuary who was qualified to issue the SAO at the time the review took place under the standards in effect at the time. There is no requirement to work "directly under" the qualified actuary, but the qualified actuary must have reviewed the actuary's work and must have been appropriately qualified "at the time the review took place." The USQS does not require the reviewing actuary to have actually issued the opinion, so long as he or she was qualified to do so at the time of review.

Last revised May 2022

9. Does the work experience gained while obtaining the basic education credential count as responsible actuarial experience under sections 2.1(b) and (d)?

Yes. Many actuaries start to obtain responsible experience before completing their formal basic education.

Last revised May 2022

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

10. How does section 2.1(d) apply with respect to a particular subject area?

Basic education may cover a wide range of subject areas, but the knowledge that a given actuary has obtained in a particular area may be limited. Therefore, in some circumstances, an actuary may need to obtain education and/or experience in order to be qualified to issue a Statement of Actuarial Opinion in a “particular” subject area. For example, this may occur when a subset of the areas covered by the actuary’s basic education or related in some way to the actuary’s basic education has not been used as part of the actuary’s experience. The facts and circumstances involved will influence the application of section 2.1 d.

Last revised May 2022

11. How does the experience required in section 2.1(b) relate to the experience required in section 2.1(d)?

Section 2.1(b) experience is generally obtained during the first full three years of employment in an actuarial position. The experience is often, but not necessarily, more general and at a trainee level.

Section 2.1(d) experience is obtained working in a specific subject area such as life or property and casualty statutory valuation or pricing, health care pricing, long-term care valuation or pricing, ERM, employee benefit plan valuation, etc. The experience obtained for both sections may overlap, depending upon facts and circumstances.

Last revised May 2022

PRACTICE AREA

12. What qualification standards apply for an actuary issuing Statements of Actuarial Opinion (SAOs) in more than one practice area?

Section 4.1 provides information for actuaries wishing to become qualified in an area different from their current practice area. Furthermore, section 2.3 contains extensive detail on qualification requirements for actuaries issuing opinions in more than one area of practice at the same time. There are significantly different requirements detailed for three different possibilities: opinions based on skills that can be *learned* in multiple areas of practice (section 2.3.1), opinions that *blend* elements of multiple areas of practice (section 2.3.2), and opinions issued by the same actuary in *distinct* and non-overlapping areas of practice (section 2.3.3).

When determining whether an actuary is qualified under the specific circumstances, it is important for the actuary to carefully consider these paragraphs. Professional judgment is often required, as circumstances are frequently not clear-cut. After reviewing the text of the USQS and these FAQs, an actuary still having difficulty making such a determination may

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

submit a question directly to the Committee on Qualifications or the Actuarial Board for Counseling and Discipline.

There are also different Specific Qualification Standards for actuaries providing NAIC Annual Statement opinions in multiple practice areas, such as life and property/casualty. Please see FAQs 22–27 for more information about specific qualification standards.

Last revised January 2022

13. If an actuary is qualified to issue Statements of Actuarial Opinion (SAOs) in an emerging area that later becomes the subject of a Society of Actuaries specialty track, must the actuary then meet the requirements in the General Qualification Standard (section 2.1[d]) to remain qualified?

As noted in section 2.1.2, an actuary needs to meet the basic education and experience requirements only once. If an actuary is currently qualified to issue SAOs in a particular area that has no specialty track, and if the basic education and experience requirements subsequently change (for example, a specialty track is added at some point after the actuary first became qualified to issue such SAOs), the actuary need not meet the section 2.1 requirements again to be qualified in that area of practice (section 2.1.2). If an actuary provides SAOs in a new or emerging field not yet recognized by the profession as a practice area and develops experience in that area, and that area subsequently becomes recognized by the profession with formal requirements, the actuary is already deemed to meet the basic education and experience requirement under section 2.1. However, an actuary should consider whether specific qualifications have developed or whether regulatory requirements or other laws further regulate the new or emerging practice area.

Last revised January 2022

14. In section 4.1, Changes in Practice Area, subsections 4.1.1, General Qualification Standard, and 4.1.2, Specific Qualification Standard, does the clause “that is relevant to Statements of Actuarial Opinion to be issued in the new area of practice” apply to just “obtaining continuing education” or to BOTH “obtaining continuing education” and “meeting the applicable basic education and experience requirement”?

Section 4.1.1 of the U.S. Qualification Standards (USQS) states, “If an actuary changes to an area of actuarial practice or particular subject within an area of actuarial practice where an actuary issuing the Statement of Actuarial Opinion need satisfy only the General Qualification Standard, an actuary must comply with the General Qualification Standard by meeting the applicable basic education and experience requirement and obtaining continuing education that is relevant to Statements of Actuarial Opinion to be issued in the new area of actuarial practice or particular subject within an area of actuarial practice” Section 4.1.2 contains similar language for the Specific Qualification Standard.

The Committee on Qualifications believes the clause “that is relevant to Statements of Actuarial Opinion to be issued in the new area of practice” applies to both “obtaining

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

continuing education” and “meeting the applicable basic education and experience requirement.” An actuary is required, therefore, to satisfy the basic education and experience requirements applicable to the statements of actuarial opinion (SAOs) the actuary intends to issue in the new practice area.

In determining whether an actuary has satisfied the applicable qualification standards, the actuary should review carefully the requirements under section 2.1 with respect to the new area of practice. When considering what is needed to become qualified in the new area of practice, an actuary should keep in mind that some of the actuary’s existing education and experience may help to qualify the actuary in the new area of practice. The basic education requirement does not require an actuary to take additional examinations in the new area of practice, although an actuary may wish to do so.

An actuary intending to issue an SAO for which the Specific Qualification Standards have been adopted should review the “additional specific knowledge requirements” outlined in section 3.1 and the provision for “Alternative Basic Education” in 3.1.2. The experience and continuing education requirements of the Specific Qualification Standards are set forth in sections 3.2 and 3.3.

Last revised January 2022

15. How do the continuing education (CE) requirements of the U.S. Qualification Standards (USQS) affect enrolled actuaries?

Enrolled Actuaries are required to comply with the CE requirements issued by the Joint Board for the Enrollment of Actuaries. Enrolled actuaries who are also members of one or more of the five U.S.-based actuarial organizations and who issue Statements of Actuarial Opinion (SAOs) must satisfy the USQS CE requirements.

Last revised January 2022

STATEMENT OF ACTUARIAL OPINION

16. Under the U.S. Qualification Standards (USQS), what constitutes a Statement of Actuarial Opinion (SAO), in the case of both private sector and public sector actuaries?

For purposes of the USQS, an SAO is “an opinion expressed by an actuary who is subject to the *Code of Professional Conduct* by virtue of membership in a U.S.-based actuarial organization, where such opinion is expressed 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” (section 1).

“Actuarial Services” are defined in the *Code of Professional Conduct* as “Professional services provided to a Principal [client or employer] by an individual acting in the capacity

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

of an actuary. Such services include the rendering of advice, recommendations, findings, or opinions based upon actuarial considerations.”

Appendix 1 to the USQS describes SAOs and lists examples of commonly issued opinions and work products and whether or not they are SAOs. Appendix 1, section III, also describes generally what types of actuarial work involving government or other public sector actuaries may be considered SAOs.

Last revised January 2022

17. Is it possible to designate a communication as “not a Statement of Actuarial Opinion” by marking it as such, or by marking it “draft”?

Although the U.S. Qualification Standards (USQS) contemplates some situations where it may be possible for an actuary to label an SAO a “draft” for purposes of the Principal’s expectation and reliance, great care must be taken not to try to strain interpretations of what a reasonable Principal would consider an SAO regardless of the word “draft” on an opinion. Appendix 1 of the USQS contains more detailed information on this subject. An actuarial opinion is defined by its contents and the reliance intended to be placed upon it, not by an arbitrary label applied by the actuary who produced it.

The USQS define a Statement of Actuarial Opinion (SAO) as “an *opinion expressed by an actuary* who is subject to the *Code of Professional Conduct* by virtue of membership in a U.S.-based actuarial organization, where such opinion is expressed 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” (the Principal) [emphasis added] (section 1).

Appendix 1 of the USQS provides extensive further clarification that effectively narrows the ability of actuaries to restrict communications in the ways proposed. A draft opinion provided to a Principal typically “is an SAO unless ... clearly marked that it should not be relied upon.” However, “if there is a reasonable likelihood that the Principal will rely on the draft regardless of intent, that is an indication that the draft is an SAO.” Further, “if the Principal is not subsequently sent a final report ... that is an indication that the draft report is an SAO.” Appendix 1 includes additional examples to guide practitioners in individual cases.

Last revised January 2022

18. In determining whether a particular Actuarial Service is a Statement of Actuarial Opinion (SAO), how should gray areas be interpreted?

The definition of an SAO in the U.S. Qualification Standards (USQS) is very broad, and it is likely that many actuarial communications fall under the definition of an SAO. Actuaries are reminded that if they issue just one SAO in a calendar year, they need to comply with

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

the USQS. The combination of the broad definition of an SAO and the fact that issuing just one SAO requires compliance means that most actuaries performing Actuarial Services in the U.S. will need to comply with the USQS (section 1 and appendix 1). As such, the Committee recommends that practicing actuaries endeavor to meet the USQS rather than expending time and energy trying to find interpretations that support exemption from the USQS.

Last revised December 2014

- 19. If an actuary who meets the Casualty Actuarial Society’s or the Society of Actuaries’ continuing professional development (CPD) requirements for issuing Statements of Actuarial Opinion (SAOs) outside the U.S. begins to perform Actuarial Services in the U.S., can this person render SAOs in the U.S. even though they have not yet completed the requirements of the U.S. Qualification Standards (USQS)?**

No. Actuaries must comply with the USQS before issuing their first SAO in the United States (section 1 and appendix 1). There are differences between the CAS and SOA CPD requirements and the USQS continuing education requirements, and therefore it is important to note that any actuary credentialed by any of the five U.S.-based actuarial organizations that issue SAOs in the U.S. **must** meet the USQS prior to providing SAOs. An actuary does not need to be a member of the American Academy of Actuaries to be required to adhere to the USQS. See the following infographic for short description of the USQS CE requirements: <https://www.actuary.org/usqs-infographic.pdf>.

Last revised December 2014

- 20. Which of the following situations are Statements of Actuarial Opinion (SAOs)?**

A: When an actuary is asked, “What is the health care trend you have experienced for your commercial business?” and the actuary replies, “10%.”

B: When an actuary is asked, “What is the expected health care trend for your commercial business for next year?” and the actuary replies, “10%.”

Situation A is not an SAO, assuming the actuary's reply is based on compiled data alone without any actuarial considerations.

Situation B generally involves actuarial considerations and would be an SAO.

(Section 1 and appendix 1)

Last revised December 2014

- 21. If an actuary creates a software tool that another actuary uses to form an actuarial opinion, is the actuary who created the tool also issuing a Statement of Actuarial Opinion (SAO)?**

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

No. A software tool would be similar to a computer program, which is referenced in the U.S. Qualification Standards appendix 1, part II, section D, as a communication that is not an SAO when used alone without an opinion about what the results suggest (section 1 and appendix 1).

Last revised December 2014

SPECIFIC QUALIFICATION STANDARDS

22. With regard to the Specific Qualification requirements, do the three years of experience need to be obtained while working directly under a qualified actuary who signs the applicable annual statement actuarial opinion?

Per section 3.2, the three years of experience must have been under review by an actuary who was qualified to issue the SAO at the time the review took place under the standards in effect at the time. There is no requirement to work “directly under” the qualified actuary, but the qualified actuary must have reviewed the actuary’s work and must have been appropriately qualified “at the time the review took place.” The USQS does not require the reviewing actuary to have actually issued the opinion, so long as the actuary was qualified to do so at the time of review.

Last revised October 2016

23. Section 3 of the USQS describes the education, experience, and continuing education (CE) requirements for signing certain NAIC opinions, but to the extent the NAIC Annual Statement Instructions set additional requirements, how do actuaries determine whether they are qualified to sign the NAIC opinion?

Actuaries need to become familiar with—and meet—both the Specific Qualifications outlined in section 3 and any specific requirements in state regulations and NAIC instructions that govern the NAIC opinion that they are preparing to sign. Note that CE needed to satisfy the Specific Qualification Standards may also count toward meeting the General Qualification Standard. Below are current resources (in addition to applicable actuarial standards of practice) that actuaries preparing to sign an NAIC Annual Statement opinion may find helpful:

- the Academy’s [practice note](#) *Asset Adequacy Analysis*
- the Academy’s [practice note](#), *Statements of Actuarial Opinion on P/C Loss Reserves*, which is updated annually.
- the Academy’s [practice note](#), *Revised Actuarial Statement of Opinion Instructions for the NAIC Health Annual Statements Effective December 31, 2010*.

Last revised October 2022

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

24. Does the 15 hours of CE needed to meet the Specific Qualification Standard need to be distributed evenly across the topics mentioned for a specific NAIC statement in section 3.1?

In any given year, an actuary's CE may not be “evenly” distributed among the topics that are required to be qualified and may not include each topic, but a particular year’s 15 hours of CE should come from those topics. To qualify as CE under the specific qualification standard, CE must be "directly relevant" to the topics listed in section 3.1 for the SAO the actuary intends to issue.

Last revised May 2022

25. If an actuary signs an NAIC Statement of Actuarial Opinion (SAO) for both a life insurance company and a property and casualty company, what specific continuing education (CE) requirements apply?

Section 3 of the U.S. Qualification Standards (USQS) requires signers of NAIC SAOs to satisfy at least 15 hours on topics specific to the type of NAIC statement being issued (section 3.1.1) and that 6 of the 15 CE hours be organized. For an actuary signing different types of NAIC SAOs, there is no provision in the USQS that suggests that the requirements can be combined. In this situation, the actuary would need to satisfy the 15/6 CE requirement for each NAIC statement type. However, some CE could count for more than one type of SAO (section 3). Note that under section 3, the actuary must also comply with the general qualification standards, including a total of 30 CE hours annually. And, of course, actuaries must also meet the basic education, exam, and experience requirements of section 3.

Last revised December 2014

26. Do the Specific Qualification Standards require 15 continuing education (CE) hours a year in addition to the 30 hours required by the General Qualification Standard?

No. The 15 CE hours required by the Specific Qualification Standards may be applied to the 30-hour annual CE requirement in the General Qualification Standard. Actuaries should remember, however, that 15 hours are required for **each** specific qualification. That is, if an actuary signs a NAIC Life Statement and a Health Statement, the actuary will need 15 CE hours on topics related to the Life Statement and an additional 15 CE hours for the Health Statement. However, some CE could count for more than one type of SAO (sections 2.2.5 and 3.3).

Last revised December 2014

27. Can a session on professionalism or bias count toward the Specific Qualification requirements of section 3 of the U.S. Qualification Standards (USQS) for signing an NAIC opinion?

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

Section 3.1.1 of the USQS lists the topics that must be considered for the Specific Qualification basic and continuing education requirements. Although neither professionalism nor bias is among the topics listed, a course may include material that covers professionalism or bias and at least one of the topics in section 3.1.1 (sections 3.3 and 3.1.1).

Each actuary should make a good-faith determination whether a course on professionalism or bias meets the requirements of section 3.1.1. The Committee on Qualifications encourages actuaries to obtain at least some of their professionalism hours by reviewing the *Code of Professional Conduct*, actuarial standards of practice, and the USQS.

Last revised January 2022

CONTINUING EDUCATION

General Continuing Education

28. How much continuing education (CE) is required under the U.S. Qualification Standards (USQS)?

30 relevant CE hours usually earned in the previous calendar year are required (section 2.2.2).

The U.S. Qualification Standards include a description of what is considered “relevant continuing education.” Ultimately it is an actuary’s responsibility to make a reasonable, good-faith determination of what CE opportunities will enhance the actuary’s ability to practice in a desired field (section 2.2.6).

Last revised January 2022

29. How are continuing education (CE) hours calculated?

50 minutes of participation equals 1 CE hour (section 2.2.7).

Last revised January 2022

30. Does the continuing education (CE) requirement include limitations on the topics covered?

Each year, an actuary must earn CE that includes at least 3 CE hours on professionalism topics, 1 CE hour on bias topics, 6 CE hours on organized activities, and no more than 3 CE hours on general business skills topics (note that the USQS do not require any general business skills hours). If the actuary needs to comply with the Specific Qualification Standards in section 3, then the actuary must have at least 15 hours of CE that are directly relevant to the topics covered in section 3.1.1 (sections 2.2.2 and 3.3).

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

Last revised January 2022

31. Is there any flexibility in the calendar-year continuing education (CE) requirement?

Yes. The 30-hour requirement will usually be met in the calendar year before the year the Statement of Actuarial Opinion (SAO) is issued. If an actuary has fewer than 30 hours of relevant CE from the preceding year, the actuary can make up the shortfall in the current year. However, no SAOs can be issued prior to those hours being earned, and those hours do not count toward the CE requirement for the current year (section 2.2.2).

Last revised December 2014

32. Can continuing education (CE) hours be carried over from one year to the next?

Yes. Section 2.2.7 of the U.S. Qualification Standards allows excess CE hours earned in one year to be carried forward to the immediately following year.

For example, if an actuary earns 31 hours of CE in 2021 for the 2022 qualification year, then the actuary may carry over 1 hour to 2022 for the 2023 qualification year.

However, for an actuary to carry over professionalism hours, organized hours, or specific qualification hours, the actuary must have more than 30 hours in total *and* more hours than needed for a specific type of hours.

Last revised January 2022

33. What information should an actuary maintain as evidence of compliance with the continuing education (CE) requirements of the U.S. Qualification Standards (USQS)?

Actuaries may face situations where their CE qualifications are audited or reviewed by third parties, such as regulators, attorneys in litigation, the Actuarial Board for Counseling and Discipline (or other disciplinary bodies to which the actuary is subject), or other organizations of which the actuary is a member. Section 6.1 of the USQS sets forth recommended recordkeeping of CE; however, the method of recordkeeping is ultimately up to the individual actuary. Section 6.1 recommends at a minimum documenting the date of the CE, the hours earned, and a brief description of the subject matter.

Section 6.2 describes recommended materials that an actuary should retain in case of an audit. These materials include certificates of attendance (if available), meeting outlines or handouts, registration materials, and notes (in the case of “other activities”). It is up to the actuary to use judgment in determining what best exemplifies compliance with the CE requirements given the circumstances of the event.

[TRACE](#), a tool on the American Academy of Actuaries website, may be used to track hours (section 6).

Last revised December 2014

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

34. If an actuary recently became a member of one of the five U.S.-based actuarial organizations, when does that actuary need to comply with the requirements of the U.S. Qualification Standards (USQS)? Does continuing education (CE) earned prior to becoming credentialed count toward this requirement?

Once an actuary becomes a member of *any* of the five U.S.-based actuarial organizations (not just the American Academy of Actuaries), the actuary must comply with all of the requirements of the U.S. Qualification Standards ***before issuing any Statement of Actuarial Opinion (SAO) to be relied upon in the United States***. It is wise for candidates to plan ahead when they are close to qualification if they intend to issue SAOs shortly after receiving their credential.

CE earned during a calendar year typically qualifies the actuary for opinions issued during the subsequent calendar year. **There are no CE “grace periods” for new members in the USQS.** Section 2.2.3 specifies that an actuary may count hours earned *before* being credentialed, as long as the time was earned since the beginning of the *prior* calendar year. Section 2.2.2 further allows time spent in the *current* year to be “carried back” one year to make up for shortfalls, as long as the total 30 hours is earned before issuing an SAO. The following example will clarify the implications of this (sections 2.2.2 and 2.2.3).

An actuary becomes an Associate of the Society of Actuaries (ASA) in July 2022. The actuary meets the basic education and experience requirements to issue an SAO in October 2022 and wants to ensure compliance with the CE requirement as well.

When calculating CE hours, the actuary is allowed to count all the hours earned in 2021, and in 2022 up until the date of the October 2022 opinion, in determining the actuary’s qualification to issue that opinion. This time can be earned before or after qualification, but not before 2021. As per section 2.2.6, time spent studying (reasonable allocated time) for relevant actuarial exams can also be included in this count as “other activities.” Time that this ASA spends in September 2022 studying for a Fellowship exam can also be counted, even if the studying did not result in a passing grade (section 2.2.6).

However, any 2022 CE time that the actuary uses to qualify to issue 2022 opinions cannot also be used for 2023 opinions. The actuary will need to earn *another* 30 hours of CE—normally during the remainder of 2022—to issue opinions in 2023.

Last revised January 2022

FAQs on the U.S. Qualification Standards

Relevant Continuing Education

- 35. If an actuary attends a 90-minute session and finds only 60 minutes relevant or the session ends early, does the actuary count only 60 minutes toward continuing education (CE)?**

Each actuary must determine how much, if any, of a particular session counts as relevant CE. The total number of hours as defined in the U.S. Qualification Standards (USQS) of “relevant” CE cannot exceed the actual number of hours a session lasts, as defined in the USQS (section 2.2.7). If an individual actuary determined that only 60 of 90 minutes of an event constituted “relevant continuing education” as described in section 2.2.6, then that is the amount the actuary should note in the actuary’s CE records.

Last revised January 2022

- 36. What continuing education (CE) topics would be considered “general business skills”?**

Section 2.2.6 describes what topics, if they are also relevant, might count as general business skills. Technical skills improvement courses and software training may count as general business as long as they are relevant. Relevant CE categorized as general business skills is limited to 3 hours per year (section 2.2.2 and 2.2.6).

Last revised January 2022

- 37. Would time spent on current events in pertinent trade journals or other periodicals (for example *Contingencies* or *The Wall Street Journal*) qualify as “other continuing education”?**

Time spent reading such materials may count as continuing education if they are relevant to rendering an actuarial opinion in the areas in which the actuary will practice in the effective period (section 2.2.6).

Each actuary will need to determine whether the material is relevant to the actuary’s area of practice based upon the actuary’s individual circumstances.

Last revised January 2022

- 38. Is “on the job” learning considered continuing education (CE)?**

Continuing education is learning that is acquired during time that was specifically allocated by the actuary and expected in advance by the actuary to be “Relevant Continuing Education” (as defined in section 2.2.6). Incidental learning acquired largely in the context of fulfilling the actuary’s day-to-day responsibilities (i.e., learning that is acquired without the specific allocation of time and the expectation in advance to produce new learning) would not satisfy the requirements of the U.S. Qualification Standards for “Relevant Continuing Education.”

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

As an example of the difference, an actuary who is responsible for calculating statutory reserves sets aside time to review the applicable laws and regulations, study appropriate methodologies, or read recent articles about economic conditions for purposes of selecting assumptions before performing this task.

- The time the actuary spends on the *planned* review, study, or reading *could* qualify (at least partially) as Relevant Continuing Education.
- The time spent actually performing this task (calculating statutory reserves, attending business meetings to discuss results, or peer reviewing results) would not qualify as Relevant Continuing Education.

Additional features that may help to document time for CE credit include, but are not limited to, the actuary's having a prepared agenda, the actuary retaining notes taken during the allocated time, or the actuary retaining specific records of texts, materials, or articles reviewed or topics discussed.

Last revised January 2022

39. How does committee work, such as exam committee work, count toward continuing education (CE) requirements? Is any of it considered “organized”?

Although most actuarial volunteer committees and activities involve a component of time that is administrative in nature, many contain elements of CE as well. Actuaries may count the portion of their committee work that is “directly relevant to the area of practice of the subject of the Statement of Actuarial Opinion” as CE (section 2.2.6). An actuary should not count administrative time as CE. If a particular meeting or phone call is partially CE and partially administrative, the actuary should make a good-faith effort to determine the portion of the time that is CE.

The portion of committee work that is CE can be further divided into organized and other activities. CE that affords the actuary the opportunity to interact with actuaries from other organizations may be considered organized. The portion that does not afford the opportunity to interact in this way is considered other activities.

An individual on an exam committee should first make a good-faith attempt to assess the applicability and relevance of the committee work to the subject of the Statement of Actuarial Opinion to determine whether it qualifies as CE. Section 2.2.6 specifically states that drafting relevant exam questions could be considered “other activities.” The actuary might further conclude that attending a Question Writer’s Seminar was relevant “organized activity,” but that time spent grading exam responses, or serving on a Pass Mark Panel, was administrative and therefore not CE.

Last revised January 2022

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

40. Is there a limit to the maximum hours spent studying for actuarial exams that can be counted as annual continuing education (CE)?

Under the U.S. Qualification Standards (USQS), an actuary may count all of the actual time spent studying for actuarial exams toward the actuary's annual CE requirements (using a 50 minute = 1 CE hour calculation), typically under the "other activities" component. Please keep in mind that excess CE hours may be rolled over for only **one year** and that at least 6 hours from "organized activities," 3 hours on professionalism topics, and 1 hour on bias topics must be earned annually. Therefore, an actuary who earned 100 CE hours from studying in 2021 may count that toward the 24 hours of "other activities" CE for 2022 (but will still need 6 hours of organized activity CE) and may roll over the excess toward the required 24 hours of "other activities" CE for 2023 (sections 2.2.2 and 2.2.6). It is also important for actuaries to consider whether their assessment of time on any self-study activity would be considered "reasonable" by someone auditing their CE.

Last revised January 2022

41. Does studying for Chartered Property Casualty Underwriter (CPCU) or Chartered Financial Analyst (CFA) exams qualify as continuing education (CE)?

Each actuary must make a "reasonable, good-faith determination" of what CE opportunities will enhance the actuary's ability to practice in a desired field. Examples are given in the U.S. Qualification Standards (USQS) but do not specifically address CPCU and CFA (section 2.2.6).

The USQS states that CE must be "relevant." This requirement is satisfied if the continuing education

- (1) broadens or deepens an actuary's understanding of one or more aspects of the work an actuary does;
- (2) exposes an actuary to new and evolving techniques for addressing actuarial issues;
- (3) expands an actuary's knowledge of practice in related disciplines that bear directly on an actuary's work; or
- (4) facilitates an actuary's entry into a new area of practice.

If studying for CPCU or CFA meets the above analysis, then it may be considered to constitute CE.

Last revised January 2022

42. Is Canadian or other non-U.S. continuing education (CE) considered relevant for the U.S. Qualification Standards (USQS)?

The decision whether an activity is "relevant" depends on each actuary specifically and must be made on a case-by-case basis (section 2.2.6). If the Canadian continuing professional development (CPD) is relevant to the actuary's U.S. practice, it may be appropriate to include it as U.S. CE as well. Note that it is possible for such time to be used to meet both the Canadian Institute of Actuaries' CPD requirement and the U.S. CE

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

requirement, as long as all of the conditions in the USQS are met. If the CE event is designed to satisfy only Canadian statutory filing requirements that would not be applicable in the U.S., the actuary should consider this carefully in assessing whether the event meets the definition of relevant CE for U.S. work.

Last revised January 2022

- 43. Does the Committee on Qualifications have any further suggestions to help actuaries determine what constitutes “relevant continuing education” (CE) under section 2.2.6 of the U.S. Qualification Standards (USQS), particularly in the context of presenters or faculty at sessions or seminars?**

As noted in section 2.2.6 of the USQS, it is ultimately up to the individual actuary to determine on a good-faith basis what CE opportunities meet the definition of relevant CE. However, the Committee on Qualifications has provided the following advice at various webcasts and seminars: Activities (whether organized or other) may constitute relevant CE if the actuary learned something, intended to learn something, or confirmed the actuary’s existing understanding of materials related to the actuary’s current or future actuarial work.

This advice should also be considered in the context of teaching actuarial courses, presenting at seminars, or writing published material. Teaching or presenting may not necessarily result in an opportunity by the presenter to earn relevant CE if the nature of the presentation does not allow the presenter the opportunity to discuss with and learn from others in attendance. Note that time spent preparing for the presentation might still qualify as relevant CE. If an actuary is teaching the same subject matter repeatedly, the actuary, as the teacher, may be stretching the bounds of reasonable if the actuary recorded the time as relevant CE without gaining or confirming any knowledge.

Last revised January 2022

Organized Activity Continuing Education

- 44. How much of the continuing education (CE) is required to be an “organized activity”?**

At least 6 CE hours per year must be from “organized activities” that involve interaction with actuaries or other professionals working for different organizations (sections 2.2.2 and 2.2.6).

Last revised January 2022

- 45. Do webinars and e-learning, such as Society of Actuaries’ online modules, count as “organized activities”? Suppose an “actuarial community” held a conference call, with two presenters and live interaction among the actuaries on the call. Does this constitute an “organized activity”?**

The participation in *live webinars* that include participation of actuaries from different organizations would be considered an organized activity under the USQS, because

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

actuaries from other organizations are participating in the question-and-answer part of the webinar. *Recorded* webinars and self-study through e-modules would be considered an “other activity” since they do not include the potential for real-time interaction of the actuary with other actuaries or professionals.

Presentation/interaction by members of an “actuarial community” via teleconference would be considered an organized activity since there is live interaction between actuaries or other professionals of different organizations, presuming the subject matter being discussed is relevant CE (section 2.2.6).

Last revised January 2022

46. Do the following count (a) as relevant continuing education (CE) and (b) as “organized” activities:

- 1) An actuarial exam in-person seminar.**
- 2) Studying for actuarial exams.**
- 3) Taking an actuarial exam.**

- 1) (a) Yes. In general, taking actuarial exams seminars count as relevant CE, and (b) such actuarial exam seminar would count as “organized” CE as long as the exam seminar involves live interaction among participants from different organizations.
- 2) (a) Yes. In general, studying for actuarial exams are considered relevant CE, and (b) no, studying for such exams are considered self-study and count as “other activity” CE under the USQS. This is true even if studying occurs in a study group. A study group among actuarial students does not have the expert leadership and/or participation implied by the examples of interaction given in the USQS (conferences, seminars, webcasts, in-person or online courses, or committee work).
- 3) (a) and (b) No. The exam time itself is not considered relevant CE or organized activity, since it does not broaden or deepen the actuary’s knowledge (consistent with the definition in section 2.2.6), as does studying or attending seminars. Rather, taking an actuarial exam illustrates to others your understanding of actuarial work.

Whether an exam attempt is successful has no impact on the foregoing discussion (section 2.2.6).

Last revised January 2022

FAQs on the U.S. Qualification Standards

47. Can in-house meetings qualify as an “organized” continuing education (CE) activity?

For in-house meeting time to count as an “organized activity,” an outside participant (from a different organization, not just an affiliate of your organization) must actively participate and be available for questions throughout the event (section 2.2.6).

Last revised January 2022

48. Does a foreign branch of a multinational company constitute a “different organization” for purposes of interacting with other actuaries from different organizations?

No. In receiving relevant continuing education, it is important that actuaries be exposed to information from various sources in order to broaden their understanding of the subject matter. Points of view from within the same organization, even if multinational, do not provide the required broad perspective (section 2.2.6).

Last revised January 2022

49. If an actuary has lunch with an actuary from another organization and they discuss current actuarial issues, does this qualify as an “organized activity” under the U.S. Qualification Standards?

Probably not. Lunch with a colleague from another firm where actuarial matters are briefly discussed would not count as organized activity even if the subject matter provided both parties relevant continuing education (CE). However, there is no prohibition against a study group meeting over lunch to provide CE and counting that as CE.

Actuaries are encouraged to use good and reasonable judgment when distinguishing between a casual lunch and study group. Factors to consider are as follows:

- The purpose of the lunch
- Whether an agenda was distributed before the meeting
- The amount of preparation
- The percentage of the meeting spent on CE compared to other discussions

(Section 2.2.6)

Last revised January 2022

FAQs on the U.S. Qualification Standards

Professionalism Continuing Education

50. What kinds of continuing education (CE) are considered professionalism CE hours under the U.S. Qualification Standards (USQS)?

Professionalism CE involves such topics as actuarial discipline, actuarial communication, the *Code of Professional Conduct*, actuarial standards of practice (ASOPs), and qualification standards. Such CE includes, but is not limited to, studying, reviewing, or commenting on an ASOP or an ASOP exposure draft; studying or reviewing the *Code of Professional Conduct*; and serving on any professionalism board or committee, such as the Actuarial Standards Board, the Actuarial Board for Counseling and Discipline, the Committee on Qualifications, the Life and Health Qualifications Seminar Committee, or any number of other professionalism committees to which actuaries volunteer their time and resources. In addition, reviewing topics that involve business ethics such as conflict of interest or similar principles may count toward professionalism CE. The Committee on Qualifications encourages actuaries to obtain at least some of their professionalism hours by reviewing the *Code of Professional Conduct*, ASOPs, and the USQS annually (section 2.2.6). Keep in mind that topics that improve one’s “professionalism” such as communication skills or presentation skills, while useful, do not constitute professionalism under the USQS, although they may count as general business skills, which are capped at 3 CE hours annually (section 2.2.2).

Last revised January 2022

51. Can one hour of organized continuing education (CE) about professionalism or bias count as meeting the professionalism or bias requirement and also count as one hour of the 6 organized hours required?

Yes. CE time can be counted toward multiple requirements as long as it meets the conditions for each of the requirements. Actuaries must still have a minimum of 30 CE hours annually (sections 2.2.2, 2.2.6, and 3.3).

Last revised January 2022

52. In the U.S. Qualification Standards, reading actuarial standards of practice is included as an example of professionalism. Are activities related to learning or reading practice notes or NAIC Actuarial Guidelines considered professionalism?

Generally, no, because they typically address technical and compliance issues, rather than professionalism, which means they may count toward the general 30 CE hours as relevant CE but may not count as professionalism (section 2.2.6). In some cases, however, they could be considered professionalism.

The actuary will need to make case-by-case judgment based on the content of the specific material.

Last revised January 2022

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

53. How does diversity, equity, or inclusion (DEI) training count toward professionalism topics, bias topics, and general business skill topics under the continuing education (CE) requirements in the U.S. Qualification Standards (USQS)?

Section 2.2.6 states that “Relevant continuing education includes not only technical topics in the actuary’s area of practice, but also includes general business skill topics, bias topics, and professionalism topics.” This section goes on further to provide examples of these categories of topics.

DEI training may count toward the professionalism topic, bias topic, or general business skill topic categories, depending upon how the training fits into the definition of these categories in section 2.2.6.

DEI training may count toward professionalism continuing education if, for example, the training is focused on how DEI should be considered in complying with the *Code of Professional Conduct* and actuarial standards of practice. Company ethics courses closely aligned to professional conduct may also count as professionalism.

DEI training may count as bias training if the content of the training provides knowledge and perspective that assist in identifying and assessing 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.

Other types of DEI training may be classified as general business skill CE, which is capped at 3 CE hours annually. Examples of such DEI training include those that specifically focus on interpersonal skills, leadership skills, and hiring and personnel management and that don’t cover technical or professionalism topics.

Last revised January 2022

PRINCIPLE-BASED RESERVES QUALIFICATIONS

54. What are the minimum requirements an actuary should consider to be qualified to render opinions related to principle-based reserves (PBR) under the U.S. Qualification Standards (USQS)?

A credentialed actuary who issues a PBR Statement of Actuarial Opinion (SAO) when providing Actuarial Services must satisfy the requirements contained in the USQS. Some of the primary requirements that an actuary should consider are listed below:

- 1) The actuary must first meet the Basic Education and Experience Requirements for the primary practice area(s) in which the actuary intends to provide an SAO. For instance, if the actuary will be rendering a PBR SAO regarding life insurance, the actuary must

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

have achieved 1) through education or mutual recognition, a Fellow or Associate designation from either the Society of Actuaries (SOA) or the Casualty Actuarial Society (CAS), 2) the Enrolled Actuary (as defined in section 2.1.1) designation, or for all others, 3) membership in the American Academy of Actuaries through its approval process; have three years of responsible actuarial experience; and be knowledgeable of the Law applicable to the SAO (section 2.1).

Additionally, since this hypothetical opinion regards life insurance, the actuary must meet the requirements in section 2.1(d)(1) or (2), keeping in mind that the experience and education must be relevant to the SAO.

- 2) Consistent with section 2.1 of the USQS, the actuary must be familiar with U.S. Law applicable to PBR Statements of Actuarial Opinion. Per the *Code of Professional Conduct*, “Law” is defined to include statutes, regulations, judicial decisions, and other statements having legally binding authority. Examples of such law pertinent to PBR are the applicable NAIC Valuation Manual and the revised Standard Valuation Law.
- 3) If the area of practice to which the SAO applies is new to the actuary, then USQS section 4 must be met.
- 4) If the SAO involves one of the Specific Qualification Standards SAOs, namely, the actuary is signing an NAIC Annual Statement opinion, the actuary must meet the requirements of section 3 of the USQS as well.

Section 3.3 regarding the NAIC annual statement opinion requires actuaries to have a minimum of 15 CE hours on topics related to the NAIC annual statement opinion, which in the case of life includes in section 3.1.1.1 “... (f) valuation and nonforfeiture laws,” and therefore requires CE on the PBR valuation law, among other things.

- 5) Per USQS section 2.2, actuaries must remain current in relevant, emerging advancements in actuarial practice and science that are relevant to the Actuarial Services (as defined in the *Code of Professional Conduct*) they provide. This section involves keeping up to date on continuing education relevant to an actuary’s practice.

In the case of PBR, a sample of source material for those advancements is listed on the Academy website, on the [Principles-Based Reserving \(PBR\) in Practice](#) page.

Last revised January 2022

QUALIFICATIONS FOR BLENDED OPINIONS

55. How does an actuary meet the qualification requirements to issue statements of actuarial opinion (SAOs) that blend elements of two or more areas of actuarial

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

practice? What qualification requirements apply when the blended SAO involves the review of or relies upon the work or opinion of another actuary?

Two examples of such “blended opinions” are long-term care (LTC) opinions, which typically blend elements of life and health, and other postemployment benefits (OPEB), which often blend pension and health. A credentialed actuary who issues a blended opinion when providing Actuarial Services must satisfy the requirements contained in the U.S. Qualification Standards (USQS) as follows:

- 1) USQS section 2.3.2, Statements of Actuarial Opinion that Blend Elements of Two or More Areas of Actuarial Practice, provides the proper guidance regarding the qualifications required for an actuary to issue a blended opinion.
- 2) Section 2.3.2 acknowledges that an actuary who is fully qualified in one area of actuarial practice (for example, pension) may acquire sufficient expertise in another area of actuarial practice, namely the other “blended” area (for example, health), through continuing education (CE) provided that the CE includes material in “all areas of actuarial practice relevant to the SAO.” Each actuary must determine the chosen CE’s relevance to the area of practice. In the example mentioned in this paragraph, the actuary is expected to have sufficient CE related to health, the “blended” area of practice in the example. “Relevant” for the purpose of the USQS is defined in USQS section 2.2.6. An actuary who issues a blended opinion should ensure that some of the actuary’s CE relates specifically to the subject of the opinion.
- 3) An actuary who issues a blended opinion must be mindful of the guidance in USQS section 2.3.2, which states, “An actuary may find it prudent to work with an actuary with complementary experience and education ...” An actuary who intends to issue a **joint** opinion with another actuary (as opposed to a blended opinion issued by a single actuary) should refer to USQS section 2.4, Statements of Actuarial Opinion Issued by More Than One Actuary. An actuary should also refer to the guidance in ASOP No. 41, *Actuarial Communications*, concerning responsibility for opinions.
- 4) An actuary qualified in one practice area may wish to issue a blended opinion and state reliance on an actuary qualified in the other practice area, without issuing that opinion with another actuary (joint opinions are described in USQS section 2.4). For example, in issuing an OPEB opinion, an actuary qualified in the pension area may wish to state reliance on the work performed by an actuary qualified to issue an SAO in the health area. To be the sole issuer of the SAO, the actuary issuing the SAO (in this example, the pension actuary) must be qualified to professionally assess the appropriateness of the information or results provided by the second actuary (in this example, the health actuary). In meeting the USQS requirement of at least 30 hours of annual CE, the issuing actuary must include a reasonable combination of relevant CE for all areas of the SAO (in this example, both pension and health). The issuing

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

actuary may consider the amount and type of input received from the second actuary in deciding how much of each type of relevant CE the issuing actuary needs.

Last revised January 2022

56. What are the minimum requirements an actuary should consider to be qualified to render opinions related to Long-Term Care Policies under the U.S. Qualification Standards (USQS)?

Pricing and reserving for Long-Term Care (LTC) policies typically involve aspects of both life insurance and health insurance. An actuary may find that the initial and renewal rate filings and reserving are inter-related and may require specific actuarial opinions for LTC policies.

A credentialed actuary who issues an LTC Statement of Actuarial Opinion (SAO) when providing Actuarial Services must satisfy the requirements contained in the USQS. Some of the primary requirements that an actuary should consider are

- 1) The actuary must first meet the Basic Education and Experience Requirements for the primary practice area(s) in which the actuary intends to provide an SAO. For instance, if the actuary will be rendering an SAO regarding LTC insurance, the actuary must have achieved 1) through education or mutual recognition, a Fellow or Associate designation from either the Society of Actuaries (SOA) or the Casualty Actuarial Society (CAS), 2) the Enrolled Actuary (as defined in section 2.1.1) designation, or for all others, 3) membership in the American Academy of Actuaries through its approval process; have three years of responsible actuarial experience; and be knowledgeable of the U.S. Law applicable to the SAO (section 2.1).
- 2) Consistent with section 2.1 of the USQS, the actuary must be familiar with the Law applicable to LTC Statements of Actuarial Opinion. Per the *Code of Professional Conduct*, “Law” is defined to include statutes, regulations, judicial decisions, and other statements having legally binding authority.
- 3) If the area of practice to which the SAO applies is new to the actuary, then USQS section 4 must be met.
- 4) If the SAO involves one of the Specific Qualification Standards SAOs, namely, the actuary is signing an NAIC Annual Statement opinion, the actuary must meet the requirements of section 3 of the USQS as well.

Section 3.3 regarding the NAIC annual statement opinion requires actuaries to have a minimum of 15 continuing education hours on topics related to the NAIC annual statement opinion, which in the case of the Life and A&H Annual Statement includes in section 3.1.1.1 “... (f) valuation and nonforfeiture laws.”

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.

FAQs on the U.S. Qualification Standards

- 5) To the extent the LTC policies involve aspects of both life insurance and health insurance, the USQS section 2.3.2, Statements of Actuarial Opinion that Blend Elements of Two or More Areas of Actuarial Practice, provides the proper guidance regarding the qualifications required to issue opinions related to these policies. That provision states:

Some Statements of Actuarial Opinion may blend significant elements of two or more areas of actuarial practice (for example, reserving for continuing care retirement communities, which involves significant elements of both health and life practice). An actuary who issues such Statements of Actuarial Opinion is deemed to meet the General Qualification Standard if the actuary meets the basic education and experience requirement in any one area. In meeting the continuing education requirement, an actuary should include material in all areas of actuarial practice relevant to the Statement of Actuarial Opinion. An actuary may find it prudent to work with an actuary with complementary experience and education (see section 2.4 below) or to obtain additional experience and/or continuing education relevant to the Statement of Actuarial Opinion.

- 6) Per USQS section 2.2, actuaries must remain “current on emerging advancements in actuarial practice and science that are relevant to the Actuarial Services [as defined in the *Code of Professional Conduct (Code)*] they provide.” This section involves keeping up to date on continuing education relevant to an actuary’s practice. In light of the requirements of Precept 2 of the *Code* and the General Qualification Standard under section 2 of the USQS, an actuary issuing an LTC-related SAO should ensure that at least some of their continuing education relates directly to LTC-related topics.

Last updated January 2022

OTHER

57. I have a question about the U.S. Qualification Standards (USQS) that isn’t addressed here. Where can I get an answer?

If you have a question about the USQS, please submit your specific question to the Committee on Qualifications of the American Academy of Actuaries on the Academy’s [website](#). Some questions take more time than others to answer and depend upon the availability of volunteers. We will try to answer all questions within two weeks of their submission.

Last revised December 2014

Note: Capitalized terms are used as defined in the USQS and the Code of Professional Conduct.