

Date Submitted: July 31, 2013

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Subject: Request for Comments and Suggestions: U.S. Qualification Standards

To the Committee on Qualifications:

Mercer is pleased to provide our response to several of the questions posed for comment with respect to the 2008 *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* (“QS”). These comments were prepared by Mercer’s Actuarial Resource Network, a group of senior actuaries in the Retirement Practice area representing all of the U.S. geographic areas in which Mercer operates, with input and comments from other senior Mercer actuaries.

We have retained the numbering from your request for comments, and each response is preceded by the text of the specific question. Mercer feels the qualification standards have served well and require few changes. That said, we note the following:

1. *Are there portions of the QS that have prevented otherwise qualified actuaries from practicing in certain areas? If so, how can the QS be modified to allow those actuaries to practice in certain areas while maintaining proper qualification standards?*

The rules apply to statements of actuarial opinion (“SAOs”) issued by actuaries who are subject to the QS when practicing in the United States. In today’s multinational business environment many actuaries often consolidate information provided by several other actuaries, each of whom is qualified to practice in one or more local countries. Correspondingly, actuaries in the US often prepare results for a US subsidiary of a parent outside the US. As a result, we feel the QS may need some additional clarification regarding international qualification and reliance.

The QS should clarify that individuals who practice internationally (that is, who are involved with work that either originates or is intended for use outside the US) do not necessarily need to satisfy the qualification standards of every country in which they practice, so long as they are relying on information provided by actuaries qualified to practice in each local country, and indicate they are doing so. This would require judgment on the part of an actuary practicing internationally.

4. *Should there be a yearly cap on professionalism CEs? Currently there is a minimum number of professionalism CEs but no maximum. If capped, what maximum amount do you recommend?*

We do not think a cap is needed. Actuaries should be able to find a balance (appropriate to their individual needs and disciplines) between professionalism training – subject to the current minimum requirement – and other more technical education.

5. *Currently, the QS only apply to actuaries issuing Statements of Actuarial Opinion in the United States, so actuaries providing Actuarial Services without a Statement of Actuarial*

Opinion are not required to comply with the QS. Should the QS be expanded to include all Actuarial Services as defined in the Code of Professional Conduct?

We do not believe the QS applicability should be expanded. The Code's definition of "actuarial services" is quite broad, and could be interpreted to apply to credentialed actuaries learning new services on the job. While these individuals should comply with the Code, applying QS to these individuals when they are not issuing SAOs makes it impossible for them to gain the practical work experience necessary to become qualified in new practice areas. Trying to more precisely define actuarial services to avoid this problem would be complicated, and we see no reason to move in that direction, as we believe the public is adequately protected by the current requirements

7. Are the carryover provisions of the QS understandable or do they need to be clarified? If so, what is confusing to you and what suggestions do you have in clarifying the requirements? In addition, should the maximum carryover be reduced so that an actuary will always need to earn some CEs in a given calendar year? Currently an actuary could carry over a full year's CE from the prior year resulting in no additional CEs for the current calendar year. For both of these questions, please address whether your comments apply to general carryover requirements or to specific, organized, professionalism or business requirements.

We believe the current carryover rules are sufficiently clear and appropriate for both the general and specific requirements described in the question. We do not believe it is necessary to reduce the maximum carryover.

Please let us know if you have any questions regarding our comments.