



AMERICAN ACADEMY *of* ACTUARIES

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Mary D. Miller, MAAA, FCAS
Academy Past President

November, 2018

Kris DeFrain
Director, Research and Actuarial
National Association of Insurance Commissioners (NAIC)
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Dear Kris:

I am pleased to once again have the opportunity to comment on the Casualty Actuarial Task Force's (CASTF) draft three-year experience proposal. While disappointed that the last round of comments has not been released for public viewing, it is obvious that the CASTF has taken many of those comments seriously and incorporated them in this most recent draft.

This Educational Standards and Assessment Project was initiated to assess the basic education content and processes of the Casualty Actuarial Society (CAS) and Society of Actuaries (SOA) to determine whether they are sufficient for educating an actuary who might someday sign a statutory opinion. That part of the project is proceeding according to plan, with many volunteers participating in the assessment.

The fourth paragraph of this three-year experience proposal addresses items that are not related to the original project. The actuary is instructed to provide documentation of his or her qualifications to the company's board of directors upon appointment and annually thereafter. The company is instructed to maintain that documentation and have it available to the regulator for review. This is worthwhile in assisting the board to appoint a qualified actuary and to exercise control as required by the Opinion Instructions. However, also requiring that documentation in the Actuarial Report serves no real purpose for solvency monitoring. For the few instances where a regulator might want to review this documentation, CASTF has already provided for that by requiring it to be maintained for regulatory review. Actuarial Reports are only submitted to the company, so the CASTF is effectively requiring double submission. This is a totally unnecessary duplication and should be stricken from the Instructions.

The changes to the last paragraph are also unnecessary. If you simply require the annual submission to the board to be made by December 31, CASTF will have access to it as indicated

in the fourth paragraph and CASTF can eliminate the references to it in the Actuarial Report paragraph.

As I indicated earlier, this is a much improved proposal. By making the few simple changes suggested, there will be no loss of information or access to it and CASTF will have eliminated unnecessary duplication of effort.

I note that this proposal only addresses the experience requirement, but the form the attestation should take is not yet clear in this draft.

Sincerely,

Mary D. Miller, MAAA, FCAS
Past President
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