

APPENDIX 4

GUIDELINES FOR DETERMINING WHEN SPECIFIC QUALIFICATION STANDARDS SHOULD BE DEVELOPED

(Adopted by the Academy's Board of Directors on September 27, 1994)

The Committee on Qualifications will observe the following guidelines for determining when to develop Specific Qualification Standards:

1. The Committee on Qualifications shall consider any request for a Specific Qualification Standard proposed to it by the Board of Directors, Executive Committee, or any Practice Council of the Academy. If the Committee on Qualifications concludes that the development of a Specific Qualification Standard is not necessary or appropriate in this instance, it will communicate its reasons for reaching this conclusion to the body that made the request.
2. When a regulator or a quasi-regulatory authority, such as the Financial Accounting Standards Board, represents to the Academy that, if the Academy does not establish a particular Specific Qualification Standard, it will provide the guidance it believes is needed in terms of something close to a Specific Qualification Standard, a Specific Qualification Standard will be considered for development.
3. A Specific Qualification Standard typically should be developed in relation to a specific actuarial opinion requirement that is embodied in a regulation or a standard and is of high visibility and fairly broad application within the profession.
4. A Specific Qualification Standard should apply to an area of expertise that is broad enough to cover a substantial portion of actuarial practice. The area should have been in existence long enough to have given rise to an established body of knowledge so that actuaries could be qualified to work in the area through past experience. The area should be broad enough so that a significant number of members will qualify and not be so limiting as to remove opportunities for job and expertise movement by almost all other actuaries.
5. It should be possible for a Specific Qualification Standard to set forth a reasonably available means to meet both the Basic Education Requirements for the area of expertise, either through Specific Supplemental Examination Topics or through a Specific Alternative Education Provision, and the 15 hours per year of Continuing Education Requirements.
6. Before proposing a Specific Qualification Standard, the Committee on Qualifications shall seek comments from the applicable Practice Councils of the Academy as to the utility and contents of such Standard.
7. If any Practice Council of the Academy opposes a proposed Specific Qualification Standard that affects its area of actuarial practice, a summary of the reasons for that Practice Council's opposition shall be included along with the proposed Specific Qualification Standard when it is presented to the Academy Board.