

**QUALIFICATION STANDARDS
(INCLUDING CONTINUING EDUCATION REQUIREMENTS)
FOR ACTUARIES ISSUING STATEMENTS OF ACTUARIAL OPINION
IN THE UNITED STATES**

Section 1. Introduction

The American Academy of Actuaries (Academy), through Precept 2 of its *Code of Professional Conduct*, requires its members to perform Actuarial Services only when they are qualified to do so on the basis of basic and continuing education experience and only when they satisfy applicable qualification standards.¹ Such Actuarial Services may include the rendering of advice and recommendations or opinions based upon actuarial considerations, including the issuance of Statements of Actuarial Opinion.

By virtue of their common *Code of Professional Conduct*, members of the American Society of Pension Professionals and Actuaries (ASPPA), the Casualty Actuarial Society (CAS), the Conference of Consulting Actuaries (CCA), and the Society of Actuaries (SOA), whether or not they are also members of the Academy, are subject to all requirements imposed by the Qualification Standards upon members of the Academy. The Code also requires that actuaries observe the applicable qualification standards that have been promulgated by a Recognized Actuarial Organization (as defined in the *Code of Professional Conduct*) for the jurisdiction in which the actuary renders Actuarial Services.

For purposes of the Qualification Standards, a “Statement of Actuarial Opinion” (SAO) is an opinion expressed by an actuary² 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. “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 of an actuary. Such services include the rendering of advice, recommendations, findings, or opinions based upon actuarial considerations.”

Many actuaries hold positions that are non-actuarial in nature or have non-actuarial aspects (e.g., general management positions). Actuaries in such positions may have occasion to issue oral or written statements by virtue of the positions they hold and not because they are actuaries. The Qualification Standards are not intended to apply to such statements, even though they may happen to have actuarial aspects. If it is common for persons holding comparable positions to issue such statements, whether or not they happen to be actuaries, this is evidence that the Qualification Standards are not intended to apply.

¹ The *Codes of Professional Conduct* of all five of the U.S.-based actuarial organizations are identical in this respect.

² The word “actuary” as used herein means an actuary who is a member of the Academy, ASPPA, the CAS, the CCA, the SOA, or a member of any actuarial organization that is not U.S.-based but requires its members to meet the Qualification Standards when practicing in the United States.

Actuaries who issue Statements of Actuarial Opinion when rendering Actuarial Services in the United States are required by the *Code of Professional Conduct* to satisfy these Qualification Standards.

- 1.1 Duty of Qualification — An actuary must be mindful of the obligation imposed by Precept 2 of the *Code of Professional Conduct* not to perform Actuarial Services unless qualified to do so. This obligation may require the actuary to obtain qualifications in addition to those set forth in the Qualification Standards. However, where an actuary has satisfied the Qualification Standards, in the absence of evidence to the contrary, there is a presumption that an actuary has met the duty of qualification imposed by the *Code of Professional Conduct*.
- 1.2 Purpose of Qualification Standards — A Statement of Actuarial Opinion may be used by parties who are not familiar with the qualifications of an actuary who issues such statements. An actuary who issues Statements of Actuarial Opinion must have achieved fundamental education and experience in relevant areas of actuarial practice and must maintain necessary expertise through continuing education. These Qualification Standards have been developed to provide guidance to actuaries so they can determine whether they are qualified to issue Statements of Actuarial Opinion. Qualification Standards are developed through established Academy notice and comment procedures (see Appendix 3).
- 1.3 General and Specific Qualification Standards — The General Qualification Standard (see Section 2) provides the basic education and experience requirements and continuing education requirements for most Statements of Actuarial Opinion. However, in some instances, the Academy's Board of Directors has determined that certain additional requirements must be met for an actuary to have the necessary qualifications to issue a particular Statement of Actuarial Opinion. In these instances, an actuary must satisfy the Specific Qualification Standard for that particular Statement of Actuarial Opinion (see Section 3).
- 1.4 Structure of Qualification Standards — The Qualification Standards are structured around areas of actuarial practice. The traditional areas of actuarial practice are casualty, health, life, and pension. An actuary practicing in a traditional area of practice or an emerging or non-traditional area may be called upon to issue Statements of Actuarial Opinion and, in such circumstance, is required to comply with these Qualification Standards. Additional guidance concerning the application of the Qualification Standards to emerging or non-traditional areas of practice appears in Section 4.3.

The Qualification Standards contain two elements: basic education and experience requirements and continuing education requirements. In order to comply with the Qualification Standards, an actuary is required to satisfy both elements.

- 1.5 Periodic Assessment — Actuaries should regularly review their qualifications and may contact the Committee on Qualifications or the Actuarial Board for Counseling and Discipline (ABCD) for guidance to address specific questions and concerns.