

Section 3. Specific Qualification Standards

Specific Qualification Standards are developed by the Committee on Qualifications when, in the committee's view, it is necessary for an actuary to possess specific qualifications beyond those required to satisfy the General Qualification Standard to issue a particular type of Statement of Actuarial Opinion. These Specific Qualification Standards apply only to the types of Statements of Actuarial Opinion for which such standards have been adopted.³ The Statements of Actuarial Opinion for which Specific Qualification Standards currently should be met are the following:

- Statement of Actuarial Opinion, NAIC Life and A&H Annual Statement
- Statement of Actuarial Opinion, NAIC Property and Casualty Annual Statement
- Statement of Actuarial Opinion, NAIC Health Annual Statement

3.1 Basic Education Requirement — An actuary must have obtained sufficiently comprehensive knowledge of and responsible experience with the subjects specifically involved to be able to determine which actuarial concepts and techniques are applicable to the assignment and to apply those concepts and techniques successfully. In addition to meeting the basic education and experience requirement of the General Qualification Standard (see Section 2.1), an actuary must meet additional specific knowledge requirements as outlined below. An actuary may obtain such knowledge through successful completion of relevant actuarial examinations or through alternative education. An actuary who has satisfied the basic education requirements for a particular Specific Qualification Standard is not required to pass additional examinations that may subsequently be offered by the U.S.-based organizations with regard to that Statement of Actuarial Opinion after an actuary has met the basic education requirements.

3.1.1 Successful Completion of Examinations

3.1.1.1 Statement of Actuarial Opinion, NAIC Life and A&H Annual Statement — An actuary should successfully complete relevant examinations administered by the American Academy of Actuaries or the Society of Actuaries on the following topics: (a) policy forms and coverages, (b) dividends and reinsurance, (c) investments and valuations of assets and the relationship between cash flows from assets and related liabilities, (d) statutory insurance accounting, (e) valuation of liabilities, and (f) valuation and nonforfeiture laws.

3.1.1.2 Statement of Actuarial Opinion, NAIC Property and Casualty Annual Statement — An actuary should successfully complete relevant examinations administered by the American Academy of Actuaries or the Casualty Actuarial Society on the following topics: (a) policy forms and coverages,

³ The Committee on Qualifications considers specific guidelines in determining when a Specific Qualification Standard should be developed (see Appendix 4).

underwriting, and marketing; (b) principles of ratemaking; (c) statutory insurance accounting and expense analysis; (d) premium, loss, and expense reserves; and (e) reinsurance.

3.1.1.3 Statement of Actuarial Opinion, NAIC Health Annual Statement — An actuary should successfully complete relevant examinations administered by the American Academy of Actuaries, the Casualty Actuarial Society or the Society of Actuaries on the following topics: (a) principles of insurance and underwriting; (b) principles of ratemaking; (c) statutory insurance accounting and expense analysis; (d) premium, loss, expense, and contingency reserves; and (e) social insurance.

3.1.2 Alternative Basic Education — An actuary may also satisfy the basic education requirement by acquiring comprehensive knowledge of the applicable topics through responsible work and/or self-study. To comply with the basic education requirement through self-study, an actuary must obtain a signed statement from another actuary who is qualified to issue Statements of Actuarial Opinion under the specific qualification standard being met. This statement must indicate that the writer is familiar with an actuary's professional history and that an actuary has obtained sufficient alternative education to satisfy the basic education requirement for the specific qualification standard. A sample statement appears in Appendix 2. This statement should be obtained before an actuary issues a Statement of Actuarial Opinion and should be retained by the actuary.

3.2 Experience Requirement — An actuary must obtain at least three years of responsible experience relevant to the subject of the Statement of Actuarial Opinion under review by an actuary who was qualified to issue the Statement of Actuarial Opinion at the time the review took place under standards in effect at that time. Although this experience need not necessarily be recent, it must be relevant to the subject of the Statement of Actuarial Opinion.

3.3 Continuing Education Requirement — To satisfy the Specific Qualification Standards, an actuary must obtain sufficient continuing education to maintain current knowledge of applicable standards and principles in the area of actuarial practice of the Statement of Actuarial Opinion. At a minimum, an actuary must complete 15 credit hours per calendar year of continuing education that is directly relevant to the topics identified in Section 3.1.1. A minimum of 6 of the 15 hours must be obtained through experiences that involve interactions with outside actuaries or other professionals, such as seminars, in-person or online courses, or committee work that is directly relevant to the topics identified in Section 3.1.1. Hours that satisfy the continuing education requirement of the Specific Qualification Standards may also be used to satisfy the continuing education requirement of the General Qualification Standard. Hours of continuing education in excess of the annual requirement may be carried forward one year.