



AMERICAN ACADEMY *of* ACTUARIES

Objective. Independent. Effective.™

April 9, 2021

Honorable David Altmaier, Co-Chair
Honorable Dean L. Cameron, Co-Chair
Special (EX) Committee on Race and Insurance
National Association of Insurance Commissioners

Dear Commissioner Altmaier and Director Cameron:

On behalf of the American Academy of Actuaries,¹ I wish to reiterate and reinforce our previously stated commitment to work with the National Association of Insurance Commissioners on our shared goal to address diversity and inclusion concerns pertaining to insurance coverages.

As communicated to the committee upon its formation, the Academy is offering its ongoing assistance to you in your identification and exploration of areas where regulators can act in this regard and to address practices that could create barriers, or conversely provide incentives, to inclusion in insurance products. During the course of this work, Academy representatives have actively engaged the special committee, having made separate presentations to its workstreams three, four and five, on property/casualty, life, and health insurance issues, respectively. As you move forward on your newly proposed 2021 charges, we stand ready to work with you on executing and implementing them. With the relatively recent posting of those charges we have not had full opportunity to assess them as yet, but will provide input to you as appropriate as your work progresses.

As the national actuarial association for public policy and professionalism in the United States, the Academy is looking at issues surrounding appropriateness of data and assumptions used in U.S. actuarial practice across all areas of practice and is actively working with various

¹ The American Academy of Actuaries is a 19,500-member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.

stakeholders and within the actuarial profession to advance this objective. A sampling of the work the Academy is doing can be found on the [Academy's Diversity, Equity & Inclusion webpage](#). We have formed task forces and work groups under our Casualty, Health, and Life Practice Councils that are dedicated to diversity, equity, and inclusion. We also have an active process within our Risk Management and Financial Reporting Council on data analytics and algorithms and will be issuing papers on those topics shortly.

To further illustrate the emphasis of this work, I would like to bring to your attention a recent publication from the Academy with respect to health equity issues. The discussion brief, *Health Equity From an Actuarial Perspective: Questions to Explore*, issued by the Academy's Health Equity Work Group, serves as an introduction to the work group's approach to examining efforts to reduce health disparities and applying actuarial expertise to the following areas: health insurance benefit design, provider contracting and network development, premium pricing, and managing population health. As the work group's chairperson, Annette James, has indicated, "This foundational document on health equity issues begins by offering questions and topics for further exploration to help identify ways in which health benefit programs might affect health equity." This is but the first offering from this work group; focused publications in each of the areas identified are expected to come forward in the near future. We do think that charges relevant to the health workstream will relate to the ongoing work of our Health Equity Work Group.

Finally, I want to underscore the value the Academy places on the collaborative work with the NAIC that we have enjoyed over the years on issues of mutual interest. On this initiative and the many other workstreams in which we are actively working on at the NAIC, we are committed to providing objective expert actuarial analysis on behalf of the U.S. actuarial profession.

If you have any questions regarding these comments that you would like to discuss, please feel free to contact me or Craig Hanna, the Academy's director of public policy, at hanna@actuary.org.

Sincerely,

Thomas A. Campbell, MAAA, FSA, CERA
President
American Academy of Actuaries

Cc: Andrew J. Beal, Michael F. Consedine, Kay Noonan