

Around the mid-1970s the instructions to the NAIC Life and Accident and Health Blank and instructions relating to fire and casualty insurance companies were amended to require a statement of opinion by a qualified actuary relating to the policies. For purposes of signing the actuarial opinion, a member of the American Academy of Actuaries was deemed to be a qualified actuary for life and a member of the Casualty Actuarial Society was deemed to be qualified for casualty.

On or about 1979, the Academy established a Life Qualifications Committee, and a Property and Liability Qualifications Committee to recommend standards for signing the life and property actuarial opinions, respectively. The committees' recommendations solely for the two NAIC actuarial opinions were exposed to the membership for comment and resulted in the *Qualification Standards to Sign Statements of Actuarial Opinion on NAIC Annual Statement Blanks* being adopted by the Academy Board in October of 1981. These first Qualification Standards consisted of two parts, one addressing education requirements and the other experience requirements. The education requirements consisted of a list of topics of which the actuary should have acquired a comprehensive knowledge. These topics were generally included in the examination syllabus of either the Society of Actuaries or the Casualty Actuarial Society. It also contained a provision that the actuary update and maintain knowledge by continued study and practice. The experience requirements included, in part, at least three years of recent experience in a responsible capacity under qualified supervision. In 1982 the Academy consolidated the various qualification committees of the Academy into a newly charged Committee on Qualifications in an effort to consider qualifications cross practice. In 1985, the Council of U.S. Presidents formed a task force on continuing education to consider continuing education requirements, identify the pros and cons, and emphasize the importance of continuing education to Academy members. Around this time, the Joint Board for the Enrollment of Actuaries (Joint Board) proposed mandatory continuing education requirements for Enrolled Actuaries.

After extensive solicitation of member opinions and two exposures, the Academy Board approved the recommendations of the task force on continuing education on June 22, 1989. Instead of a voluntary program of continuing education for all members as had originally been suggested, a mandatory continuing education program was established for those actuaries subject to any of the existing qualification standards (for the NAIC Life, Health, and Casualty annual statements). It would require a minimum annual average of twelve hours of continuing education in the relevant area of qualification (similar to the Joint Board's requirements). The report also addressed administrative details and proposed guidelines on acceptable types of continuing education activities.

At the same meeting in June 1989, the Academy Board adopted the final report of the Committee on Qualifications recommending a restructuring of the Qualification Standards to develop two types of standards: a General Qualification Standard, that would apply to any Public Statement of Actuarial Opinion (PSAO) for which a standard of the second type, a Specific Qualification Standard, had not yet been developed. The latter classification included the three currently existing qualification standards for NAIC annual statements.

The Academy Board adopted the newly structured *Qualification Standards for Public Statements of Actuarial Opinion* in January of 1991 and incorporated the new continuing education requirements into these standards in September of 1991, which

combined the recommendations of both the Committee on Qualifications and the task force on continuing education. The Committee on Qualifications assumed the responsibility for administering the continuing education requirements. Several revisions to the Qualification Standards took place throughout the early 1990s that added clarifications, expanded definitions, and provided additional guidelines on acceptable types of continuing education activities. In 1993, the definition of PSAO was further revised, among other things, to include actuarial communications issued for purposes of compliance with standards promulgated by the Financial Accounting Standards Board and the Government Accounting Standards Board.

The next amendments and revisions to the qualification standards occurred effective April 15, 2001, entitled the *Qualification Standards for Prescribed Statements of Actuarial Opinion Including Continuing Education Requirements*, which added useful appendices and other revisions but maintained the number of continuing education hours. By this time the “P” in PSAO was changed from “Public” to “Prescribed” to reflect a more precise definition.

In November 2002 the Committee on Qualifications solicited input on a discussion draft that proposed to expand significantly the scope of the Qualification Standards from its then-current focus on statutory and regulatory work to all statements of actuarial opinion (SAOs). Based upon the comments received, the Committee On Qualifications submitted, and on May 5, 2004, the Academy Board approved, an exposure draft which contained a broader definition of SAO. The proposed change was based on the recognition that, while *Precept 2* of the Code of Professional Conduct broadly requires that all actuaries be qualified “on the basis of basic and continuing education and experience” when performing Actuarial Services, the 2001 Qualification Standards applied only to actuaries who issue PSAOs. The Committee on Qualifications exposed a second draft in January 2006, which included changes to the basic education and experience requirements but also significantly increased the continuing education hours required. After careful consideration of the comments it received, the Committee on Qualifications slightly revised the exposure draft and recommended that the Academy Board adopt the same, which the Academy Board did in May 2007, which resulted in the current *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States, Including Continuing Education Requirements*, effective January 1, 2008. These revised standards essentially expanded the scope of its application beyond merely issuers of PSAOs to issuers of SAOs, and substantially increased the annual continuing education requirements to a mandatory 30 hours of CE, of which 6 must be from organized activities, and 3 on professionalism topics. The Qualification Standards also separately address in Section 3 the qualification of issuers of the three NAIC annual statement opinions (life, health, casualty) with more specific guidance on the basic education, experience, and continuing education required to issue such actuarial opinions. It is important to note that the U.S. Qualification Standards apply to all actuaries credentialed by any of the five U.S.-based actuarial organizations, not just Academy members.

(updated May 13, 2011)