



AMERICAN ACADEMY *of* ACTUARIES

April 20, 2012

[Note: A version of this letter was sent to all state insurance commissioners and chairs of each state house and senate insurance committee]

Re: Definition of “Qualified Actuary” in State Statutes and Regulations

Dear \_\_\_\_\_:

In the past few months, an inconsistency in the definition of “qualified actuary” in some state regulations has come to the attention of the American Academy of Actuaries<sup>1</sup> Health Practice Council and Committee on Qualifications. Specifically, some states may be failing to correctly define the term “qualified actuary” under the Affordable Care Act’s rate review provision.<sup>2</sup>

The American Academy of Actuaries (Academy) sets qualification, practice and professional standards for actuaries practicing in the United States. In particular, the Academy is the actuarial organization that promulgates the United States Qualification Standards that apply to U.S. credentialed actuaries. As such, the Academy has the recognized expertise in defining the qualification of actuaries.

The Academy recommends that any state laws, rules or regulations attempting to define “qualified actuary” use the following language:

An actuary who is a member of the American Academy of Actuaries and qualified to provide such certifications as described in the U.S. Qualifications Standards promulgated by the American Academy of Actuaries pursuant to the Code of Professional Conduct.

Should you have any questions regarding the Academy’s suggested definition of qualified actuary or regarding who is qualified to submit rate filings, please contact Tim Mahony, state health policy analyst ([Mahony@actuary.org](mailto:Mahony@actuary.org); 202-223-8196).

Very truly yours,

Thomas F. Wildsmith, FSA, MAAA  
Vice President, Health Practice Council  
American Academy of Actuaries

John W. Morris, FSA, MAAA  
Chairperson, Committee on Qualifications  
American Academy of Actuaries

<sup>1</sup> The American Academy of Actuaries is a 17,000 member professional association whose mission is to serve the public and the U.S. actuarial profession. The Academy assists public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualifications, practice, and professionalism standards for actuaries in the United States.

<sup>2</sup> Under the Affordable Care Act, the Centers for Medicare and Medicaid Services (CMS) is authorized to determine whether health insurance rate increases filed with states are “unreasonable.” As of September 1, 2011 rate increases equal to or greater than 10 percent will be reviewed by CMS to determine whether such rate increases are “unreasonable.”