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September 23, 2020

Comment #18—9/23/20—10:39 a.m.

To: American Academy of Actuaries – Qualification Standards Committee

In light of the recent protests following the death of George Floyd and persistent bias and racism in the US, the Casualty Actuarial Society issued a statement of solidarity and commitment to advance Diversity, Equity, and Inclusion (DE&I) as foundational to the success of our profession. We in the CAS were encouraged by a similar statement and commitment by the American Academy of Actuaries. It is our intent to follow up our statement with actions that confirm and amplify our commitment to these goals.

We believe that one of the best ways to build a culture that values equality and breaks down biases is through continuing education for our members. Over the past several years, the CAS has offered regular opportunities for members to build DE&I skills. These topics are not specifically referenced in the U.S. Qualification Standards approved by the Academy's Board of Directors; however, they are specifically addressed in the related FAQ's on the Academy's website. More specifically, the response to question 48 states that DE&I should be counted towards Business and Management skills, for which credit is limited to a maximum of three (3) hours per year. In practice, this has created disincentives for members to attend educational sessions on DE&I topics, as they must allocate their limited time to other topics that satisfy the Standard's CE requirements.

Recent public acts of bias and racism have reflected poorly on the actuarial profession, and our reputation is at stake. We truly believe that Diversity, Equity and Inclusion should be deemed a Professionalism topic as it now clearly relates directly to upholding the integrity and reputation of actuaries (Precept 1 of the Code of Professional Conduct) and encourages actuaries to seek out and respect different perspectives and opinions (Precept 10).

With this in mind, we offer three options for the Academy to consider:

1. Eliminate the FAQ which categorizes DE&I sessions under Business and Management Skills. This is the simplest solution, which would leave it up to members to decide for themselves if the content of the session is relevant to Professionalism or other categories, as members currently determine for many other topics.
2. Explicitly categorize DE&I as a Professionalism topic. Along with this change, we would recommend that the Academy increase the required CE hours for Professionalism from three (3) to four (4) to maintain the importance of existing Professionalism content, while maintaining the current standard of thirty (30) total CE credits per year. This would clearly demonstrate the Academy's commitment to upholding the reputation of the

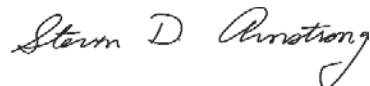
profession as it relates to DE&I, while still allowing members to select the sessions that most interest them within this category.

3. Create a separate category for DE&I or Anti-Bias education and require all members to complete one (1) credit per year, while maintaining the current standard of thirty (30) total CE credits per year. This would be the strongest demonstration of the Academy's commitment to DE&I.

Ours would not be the only profession to hold our members to a high standard of anti-bias education. Others, like the American Bar Association, have recommended standards like option 3 above, and several state bar associations have adopted such standards in recent years.

We look forward to discussing this proposal with you further and thank you for your time and consideration and your commitment to equality and inclusion for our profession.

Sincerely,

A handwritten signature in cursive script that reads "Steven D. Armstrong".

Steven D. Armstrong, FCAS, MAAA
President, Casualty Actuarial Society