

October 23, 2020

To: The Committee on Qualifications of the American Academy of Actuaries

From: The Casualty Actuarial Society and Society of Actuaries Joint Committee for Inclusion, Equity and Diversity

In 2019, the Casualty Actuarial Society (CAS) and Society of Actuaries (SOA) formed the Joint Committee for Inclusion, Equity and Diversity (JCIED). This committee is composed of members from both organizations, as well as representatives and guest representatives from partner organizations such as the International Association of Black Actuaries (IABA), the Organization of Latino Actuaries (OLA), the Actuarial Foundation, the Sexuality and Gender Alliance of Actuaries (SAGAA) the Canadian Institute of Actuaries and the Conference of Consulting Actuaries.

The JCIED works to promote:

- Our profession as the STEM career of choice for candidates of all perspectives, experiences and backgrounds;
- A strong sense of belonging such that our members fully contribute to advance the profession; and
- Equitable opportunity for education, research and leadership for our stakeholders.

Precept 1 of the American Academy of Actuaries Code of Professional Conduct states: “An Actuary shall act honestly, with integrity and competence, and in a manner to fulfill the profession’s responsibility to the public and to uphold the reputation of the actuarial profession.”

Integrity in a business and professional context can be defined as “acting in ways consistent with what society and individuals typically think are good values. Ethical behavior tends to be good for business and involves demonstrating respect for key moral principles that include honesty, fairness, equality, dignity, diversity and individual rights<sup>1</sup>.”

Because of the need for respect for dignity, diversity, and individual rights, we believe that education in the areas of diversity, equity, and inclusion (DE&I) are foundational to Precept 1.

DE&I has become more important in the recent period. As a profession, in order to stay relevant, we need to be more innovative and creative than ever, and innovation requires people from different backgrounds and different mindsets, working together.

In addition, our newer members are more diverse than ever, and expect their professional organizations to support DE&I. In fact, focus on DE&I is among the top criteria that younger candidates have for prospective employers and other organizations.

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<sup>1</sup> <http://www.businessdictionary.com/definition/ethical-behavior.html>

Finally, as big data and artificial intelligence become more significant in our practices, the opportunities for bias multiply. We must have an understanding of topics of racial and other biases in order to maintain ethics in our models and uphold our standards and code of conduct.

Professionalism education is critical to these high standards, and the concept of professionalism must expand beyond standards of practice. Therefore, we urge the Committee on Qualification to incorporate diversity, equity and inclusion within the definition of professionalism for its qualification standards.

We recommend that professionalism credits be increased to four hours (from the current three), and that at least one hour of DE&I education and training be a required component of these four hours of professionalism. In order to prevent the burden of additional continuing education hours overall, we recommend maintaining the current total requirement of thirty hours per year.

We understand that adding additional hours to the current requirements may take away from other important continuing education. Therefore, if a compromise must be found, we recommend that diversity, equity and inclusion education and training be explicitly included in the examples in paragraph 2.2.6 of the exposure draft, as part of the requirements for professionalism education in the USQS. In addition, we recommend that question 48 in the “FAQs on the U.S. Qualification Standards” document be updated to address only ethics and not discuss diversity as excluded from professionalism topics.

The actuarial profession strives to provide the highest degree of public confidence in actuarial work related to financial outcomes. These recommendations would greatly benefit the profession by bringing a diverse and broad perspective to work analysis and performance, and also would demonstrate, on a practical level, the commitment of the profession to foster a culture that encourages diversity, equity and inclusion.