

October 23, 2020

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

From: Sara Teppema, FSA, MAAA, FCA

When I was elected to the Society of Actuaries board of directors two years ago, I was appointed to lead the SOA's efforts in diversity, equity and inclusion (DE&I) for the SOA. In that role I have done a considerable amount of work studying, strategizing about, and executing initiatives in, the DE&I space. I am commenting today as an individual member of the American Academy of Actuaries, on the need for all actuaries to be educated in DE&I topics.

As the CAS and SOA's Joint Committee on Inclusion, Equity and Diversity also commented, 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.

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, I implore the Committee on Qualification to incorporate diversity, equity and inclusion within the definition of professionalism for its qualification standards.

I 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.

If this is too burdensome a requirement, as a compromise position, I 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, I 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.

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.