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October 8, 2021

Memo to: NAIC Casualty and Statistical Task Force (CASTF)  
From: Ken Williams – CAS Staff Actuary  
RE: CAS review of appointed actuary CE logs for NAIC compliance

The National Association of Insurance Commissioners (NAIC) developed new requirements for appointed actuaries associated with signing actuarial opinions for 2020 NAIC annual statements. Among these new requirements is that those appointed actuaries must include additional information on the type of continuing education (CE) obtained to meet applicable qualification standards. The information requested is related to meet the Specific Requirements for appointed actuaries from the American Academy of Actuary' U.S. Qualification Standards (USQS). As part of this requirement, the CAS has agreed to submit an annual report to the NAIC summarizing the results of their review of appointed actuary records as part of the CAS's normal CE compliance process.

As part of their annual cycle, the CAS has completed a review of 41 continuing education logs from those who indicated that they are meeting the Specific requirements of the USQS. Of these 41 logs, 34 used the excel template developed by the SOA and CAS under the guidance of the NAIC. Four submitted their CE in another excel form, and three submitted PDF copies of their CE logs.

Of the 41, four logs did not include the documentation of the required new NAIC categories. For the remaining 37, the results of the analysis are as follows.

Members meeting the appointed actuary requirement had an average of 41.5 total CE hours, and an average of 29.4 hours meeting the specific CE requirement. The range for specific CE was from 15.6 hours to 70.2 hours. The specific qualification requirements include a minimum of 30 CE hours, of which 15 must meet the specific requirements.

In terms of the seven primary NAIC categories, the percentage of actuaries reporting at least some CE in that category, and their average CE hours were:

<b>Primary Category</b>	<b>% Reporting some CE in this Category</b>	<b>Average CE hours in this Category</b>
Law & Regulation	51%	2.6
Policy form, Coverage, Underwriting, & Marketing	49%	7.1
Reinsurance	22%	1.6
Reserves	92%	9.4
Requirements & Practice Notes	78%	7.1
Business Skills	30%	5.6
Other	76%	11.7

Several of the above primary categories have secondary categories which further divide the type of CE learning. For those categories, the number reporting at least one instance of learning in the secondary categories and the average hours reported are:

<b>Policy form, Coverage, Underwriting &amp; Marketing</b>	<b>% Reporting some CE in this Category</b>	<b>Average CE hours in this Category</b>
Form or Coverage	27%	4.1
Premium Rates or Ratemaking	27%	6.0
Underwriting and/or marketing	24%	2.5

<b>Reinsurance</b>	<b>% Reporting some CE in this Category</b>	<b>Average CE hours in this Category</b>
Reinsurance collateral	3%	1.2
Reinsurance collectability	3%	2.1
Reinsurance reserving	14%	1.4
Statutory accounting	16%	2.2

<b>Reserves</b>	<b>% Reporting some CE in this Category</b>	<b>Average CE hours in this Category</b>
Reserving Data	46%	3.4
Reserving Adjustments	84%	5.9
Reserving Calculations	35%	2.4
Reserving Analysis	38%	2.7
Statutory accounting	16%	2.2

<b>Requirements &amp; Practice Notes</b>	<b>% Reporting some CE in this Category</b>	<b>Average CE hours in this Category</b>
Annual Statement Instructions	43%	4.2
Practice Notes, ASOPs, etc.	8%	5.5
Statutory Accounting	57%	5.5
Solvency Calculations	16%	2.2
Company-specific	-	-

<b>Other</b>	<b>% Reporting some CE in this Category</b>	<b>Average CE hours in this Category</b>
Accounting other than Statutory	-	-
Analytics	16%	2.2
Emerging Issues	57%	8.0
Modeling	16%	3.9
Professionalism	30%	4.9
Risk Management	27%	4.0
Other – not otherwise classified	19%	2.9

Please let me know if you need more information or would like further clarification of the above results.

*Ken Williams*

**Ken Williams**, FCAS, MAAA, Staff Actuary

**Casualty Actuarial Society** • 4350 North Fairfax Drive, Suite 250 • Arlington, VA 22203

703-562-1739 • [kwilliams@casact.org](mailto:kwilliams@casact.org)