

American Academy of Actuaries Update on Life Actuary Knowledge Statement Request

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November 16, 2024

About the Academy

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AMERICAN ACADEMY *of* ACTUARIES

- The American Academy of Actuaries is a 20,000-member professional association whose mission is to serve the public and the U.S. actuarial profession. For more than 50 years, the Academy has assisted public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues.
- The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.

For more information, please visit:

www.actuary.org

Agenda

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- Background
- Public Comment Response
- Next steps

Request from LATF at 2023 Fall National Meeting

- LATF requested American Academy of Actuaries recommend knowledge statements for life actuaries signing certain Statements of Actuarial Opinion, including for actuaries serving as appointed actuaries, as illustration actuaries, and as qualified actuaries for principle-based reserves.
- The Academy shared drafts of knowledge statements for life and health appointed actuaries in Chicago during the Summer National Meeting.

Public Comment Response

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- Following the public comment period, the Academy has offered a formal response to LATF.
- Any additional direction or requested modifications from LATF to adjust the drafted appointed actuary knowledge statements will be made prior to our final submission.
- Work continues on the qualified actuary knowledge statements (shared at this meeting) and on the illustration actuary knowledge statements (to be shared with LATF before year-end).

Reminder—Important Considerations

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- The knowledge statements provided are recommendations in response to the LATF request.
- Knowledge statements are not a position of the Committee on Qualifications, and future use and modification of these recommendations are the responsibility of LATF.
- The knowledge statements focus on the additional knowledge that an actuary should have to perform specifically identified tasks. This does not include basic knowledge of actuarial mathematics, accounting, economics, and risk theory that all actuaries should have (primarily knowledge demonstrated prior to the associateship level in either the SOA or the CAS).
- Fulfillment of the knowledge statements does not imply an actuary is qualified to provide a given opinion. There are additional qualification requirements, and there may be additional knowledge required dependent on the topics covered under the opinion.
- An actuary should adhere to the [“Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States”](#) (USQS) and meet the continuing education (CE) requirements before issuing any statements of actuarial opinion.

Qualified Actuary Knowledge Statements

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- With VM-22 not yet adopted, the regulators and interested parties may want to be aware that the drafted knowledge statements are focused on VM-20 and VM-21 actuaries. This is particularly important as it relates to VM-31 reports or the extent to which a Qualified Actuary is involved in setting Fixed Annuity reserves. The statements may need to be refined given any VM-xx updates, especially VM-22 updates.
- Since the knowledge statements are intended to cover both VM-20 and VM-21 Qualified Actuaries, regulators and interested parties should keep in mind that not every part of the draft will apply to every Qualified Actuary.
- LATF may want to consider knowledge statements for each individual VM chapter in the future, which could be addressed in the future by statements incorporated into the VM itself.

Next Steps

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The completed drafts of all three knowledge statements will be submitted to LATF by the end of the year.

The Academy is happy to meet virtually with LATF to discuss the qualified actuary and the illustration actuary knowledge statements.

Questions?

For more information, please contact
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