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Session 41PD

Continuing Education Requirements

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Panelists: PHILIP J. BIELUCH
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Summary: This session will address questions about continuing education requirements, such as:

- *Who has them? What do you need them for?*
- *How many hours? Over what time period?*
- *What qualifies?*
- *How can you get sessions qualified?*
- *What are the recordkeeping requirements?*
- *What about employees working with you?*

At the conclusion of the session, attendees learn:

- *Best practices in meeting and documenting requirements*
- *Best practices for keeping required documentation*
- *What state auditors and others expect to see.*

MR. HENRY SIEGEL: We've assembled a panel of highly qualified people to speak to you about continuing education (CE). Jackie Keating is a consulting actuary with Milliman USA. Phil Bieluch is an independent consulting actuary specializing in insurance-strategy consulting. I'm the newest member of the Academy's Committee on Qualifications, and, as the newest member, I got the short straw to do this.

I'm going to outline the current CE requirements very quickly and some ideas for changes that we've been discussing in the Committee on Qualifications. Phil is going to discuss certain NAIC requirements for CE, and then Jackie is going to discuss best practices for monitoring qualification and CE requirements as performed at Milliman. I hope that we'll have a lot of opportunities for questions, complaints and argument.

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My agenda for today is: What are the current requirements for all actuaries? What are the specific requirements for valuation actuaries? What potential changes are we discussing? And what are the results of membership comments that we received on some of those proposed changes?

Let me start out with one answer to one question. For those of you who are wondering, this meeting does count as CE. You can put that down on your sheet. It's an hour and a half or so of organized CE.

Precept 2 of the Code of Professional Conduct says that you have to be qualified to do what you want to do. I thought that I would start this session by saying there really shouldn't be any question about what qualifies as CE, what doesn't qualify as CE and when you've had enough CE, because you really know.

All of us who have sat through enough meetings here know whether we're up-to-date on everything that's going on that we need for our jobs, or if we aren't. The requirements that the Academy puts out are really just that—minimal requirements that almost anyone who's serious about keeping up-to-date with what's going on will easily meet. None of this should be viewed as an onerous requirement. The onerous part probably for most of your minds comes in keeping track of it, and that's what Jackie will address later on.

Now, the Academy has specific qualification standards. There is a general qualification standard and a specific qualification standard that relates to valuation actuaries. The general qualification standards apply to all actuaries who are making what we call Prescribed Statements of Actuarial Opinion (PSAOs). The Qualification Standard Board describes all the current requirements.

But what is a PSAO? Today a PSAO is a statement of opinion that's issued for purposes of compliance with law or regulation, that is issued to comply with something that's required by a Standard of Practice; or it's an actuarial communication issued to comply with accounting standards, like a financial accounting standard (FAS) requirement. The actual definition is a little longer than this, but these are the main points in that definition.

The general requirement for CE, to be able to issue PSAOs, is you have to have 24 hours over a two-year period. You cannot believe how many times people have come up to me today when they realized I was speaking and said, "Let me get this 24-hour requirement straight." So let me run through it quickly. You need 24 hours over a two-year period. I'll give you an example. If, in 1999, you have 15 hours; in 2000, 10 hours; in 2001, 12 hours; and in 2002, 16 hours, then in 2001 you're qualified because over the two-year period, 1999 to 2000, you had 25 hours. However, for 2002 you would not be qualified because you only have 22 hours for 2000–2001. And then again, in 2003, you're qualified because you go over 24 hours. I hope that's simple enough even for actuaries to understand. It's not intended to be complicated.

Now, the other part of this requirement is at least half must be organized. Organized can mean coming here and sitting through these sessions. So that means you have to have 12 organized activities over a two-year period, and you can get six easily if you come to one of these sessions and attend your meetings. It's not a hard thing to do. But organized doesn't only mean coming to these sessions. It can mean going to a session at your company where somebody comes in and talks about an actuarial subject. We, for instance, have monthly luncheons where somebody comes and talks about an actuarial subject that they're working on. That counts as an organized activity.

If you go to a seminar, obviously that counts if it's put on by the Society, but, more importantly, if you put on the seminar, that counts. So the fact that I'm speaking to you today doesn't mean that I don't get CE for the session, even though I'm doing the speaking. If you're talking to your Board of Directors about the results, that can count as CE depending on how it's structured, whether there's an opportunity for feedback and so on. There are a lot of opportunities for CE in addition to just coming to the Valuation Actuary Symposium.

There's a statement that says up to 25 percent of the hours can be in professionalism. This meeting counts as a professionalism meeting because it's not about how to do a valuation; it's how to be a better actuary. If you go to a meeting on the education requirements, or if you go to a Standards of Practice meeting, those would count as well.

Now, in addition to these general requirements, there are what we call specific requirements for valuation actuaries, and the good news is it's not very complicated. All it says is that if you're going to sign a life-reserve opinion or a health-reserve opinion—and I think there's one for property and casualty as well—the CE must be on topics that are relevant to the subject that you're signing for. That makes things a little tougher. If you're going to sign a valuation opinion for the life statement, you need to have 24 hours over a two-year period that are relevant to life valuation.

If you're also going to be signing with regard to health, you need to have the relevant hours in health as well. This makes it even harder because now you're talking another 24 hours. I'm not talking about if you sign an annual statement that has life and health reserves in it, but rather if there's a separate health opinion that is signed. For that particular opinion, which is described in the requirements, you need separate CE requirements. It usually, I think, applies to actuaries who work for health organizations specifically rather than for a life insurance company, for instance, that issues individual health insurance.

That's it: you have to have 24 hours somehow. Half of it can be reading a book, or reading articles in the *North American Actuarial Journal* or *The Update*. You're the guide for that. If you sit down with your auditor, and you discuss how to account

for universal life in light of FAS 133 or FAS 115 or whatever, that can be counted as education if what you're doing is learning. You'd have to figure out whether it's structured or not. But there are a huge number of opportunities for getting CE. It does not only mean just coming to one of these sessions.

Now, just briefly, you have to keep appropriate records. They have to be maintained for four years, and you must maintain separate records for each practice area. If you're signing an opinion in a life area and signing a health opinion, you have to keep separate records for each practice area.

Now, I think it's important that you keep in mind why we have CE requirements. We don't have CE requirements so that there will be attendance at the Valuation Actuary Symposium, although it works, and we thank you for coming. I asked somebody at dinner the other night why he thought we had CE, and I got an answer that said, "Well, we're professionals, and we have to keep up with what's going on. If you're not current in what's happening in the industry today, then you're really not a professional." That's the right answer. It's just not *the* answer. A real motivation, and the reason that people worry about CE, has to do with being sued.

If you sign an actuarial opinion, and, God forbid, something happens to your company, somebody could take you to court and say, "Mr. Actuary, you signed this opinion saying the reserves are adequate. Two years later the company went under. What gave you the ability to sign that these reserves were OK when you were obviously wrong?" And that's when you're going to need to be able to pull out your records of CE that will justify that you were, indeed, qualified to sign those statements.

MR. THOMAS P. TIERNEY: How specifically does the two-year period relate to a given incident? For instance, if you're signing a valuation opinion in the annual statement, say, on February 12, is it the two-year period ending on February 13? Is it the two-year period starting February 11? Can you sign an opinion and then get your 24 hours on the two years starting on that date? I'm asking because of legal specificity.

MR. SIEGEL: I'm not an attorney. I sometimes play one at work, but I'm not an attorney. You need to have your 24 hours *before* you sign something. Generally you qualify for a year by earning your CE for the two preceding years, as in my example.

MR. PHILIP J. BIELUCH: I think, Tom, that actually that's defined. In your case it would be the two calendar years prior because you're signing a year-end statement applicable to a calendar year.

MR. TIERNEY: OK. Thank you.

MR. BIELUCH: So it's the two calendar years, and your education from January 1 to February 12 doesn't count.

MR. SIEGEL: I'm next going to talk about the Committee on Qualifications. I walked into the middle of this when I was added to the committee, so I'm not sure that I necessarily agreed with everything that came out. We issued a discussion draft a long time ago, probably in 2002, proposing to expand qualification standards to all Statements of Actuarial Opinion (SAOs), not just PSAOs.

The idea here was that anytime you write a memo to somebody, you should be qualified to write that memo. It's kind of a hard concept to argue, but there are problems with it. We got back, amazingly, 64 comments, which is a very large number for any kind of exposure draft that the Academy puts out. We got a lot of comments, and a lot of them were positive. Some of them were negative.

We're going to be working on drafting a change to the requirements, which will expand the requirements for making actuarial statements to statements other than just the limited number of prescribed statements that are currently there. But we're going to revise the requirement so that instead of being a hard-and-fast requirement, as Tom just mentioned, where you have to have it every two years, it's going to be a safe harbor. The difference is that now you're going to be able to say, "I have the 24 hours, so I'm qualified." But it won't say that if you don't have the 24 hours, you are, by definition, not qualified. You can show qualification in other ways. And we think that that's going to be a change that's going to be welcomed by a lot of our practitioners out there who have to deal with this on a day-to-day basis.

Finally, there was a proposal that there be a required number of hours spent on professionalism. I fought that. I didn't win in getting it out of the discussion draft, but we got enough comments saying that that was ridiculous, that there's not going to be any required number of hours on professionalism in the change. So there will be a proposed change coming down; it's coming down very slowly. We haven't had a meeting this year, to the best of my knowledge, and I would think you could look for another proposal probably at the beginning of 2004, which expands the CE requirements a little bit to SAOs other than just the PSAOs. The proposal is going to make it a safe-harbor requirement rather than an absolute requirement. Phil is going to talk to you a little bit about what the NAIC is saying with regard to their requirements.

MR. BIELUCH: Before I start, I want to comment a minute about this Valuation Actuary Symposium. If you go through the entire meeting, you have eight one-and-a-half-hour sessions here. It's designed so that it will always qualify. The trivia I didn't know is that the General Session for the Valuation Actuary Symposium used to not qualify for CE because it was not specific on valuation. That sort of got me. There are really all these little rules, but the bottom line is that you can rest assured, if you come to the Valuation Actuary Symposium, you will qualify.

Chart 1 demonstrates that there's a schedule on the Society Web site that gives you CE hours by item that you may have gone to. So, assuming you went to all the sessions, this gives you what qualifies. You'll notice on the bottom line that the Life Insurance Marketing and Research Association (LIMRA)/Life Office Management Association (LOMA) is nine units of professional development, 345 minutes noncore. It talks about core and noncore. It's out there. It's available when you get into the recordkeeping requirements.

I want to talk about the NAIC requirements for a minute. This has come up in doing financial actuarial reviews as part of the triennial exams. For those of you who aren't aware, the NAIC publishes a book and a CD on how to conduct a financial exam of an insurance company. It's publicly available, costs a few hundred dollars; and it's called *The Financial Condition Examiner's Handbook*. It has a lot of comments about controls, and it has a lot of checklists that a financial examiner is supposed to check off on when he actually does a triennial exam. There is a part on the losses and benefits cycle that actually goes back to the qualification standards. It requires the examiner to, and these are words taken directly from *The Financial Condition Examiner's Handbook*, "determine whether the company uses an in-house or outside actuary" and "verify that the actuary is a qualified actuary in accordance with Appendix A-820 of the NAIC *Accounting Practices and Procedures Manual*."

These appendices are not in numerical order; they're hard to find, but we'll go on to what that means in a minute. The *Accounting Practices and Procedures Manual* is another manual you can buy for a few hundred bucks. Many of you will probably have it in your library though. Appendix A-820 defines what a qualified actuary is, and this is sort of the meat of it. You have to be in good standing in the American Academy of Actuaries. I think that means your dues are paid if you're a member. You also have to be qualified to sign a statement in accordance with the Academy qualification standards.

The third one is that you have to be familiar with the valuation laws. Now, apparently this one is for new Fellows. They don't necessarily have enough valuation law in their training, and that's why the Academy has started that Life Reserve Qualification Seminar in November. But this is generally deemed for actuaries, I think, prior to 2000 to have been satisfied as part of their study if they went through a life track.

The qualified actuary has all this other fine print—that you've never been found guilty of fraudulent or dishonest practices, not necessarily applicable, at least to CE discussions. But I want to spend a minute on enforcement, what we found in actually going to companies and saying, "OK, can you go to the actuary and show us your evidence of CE?" It's one of these requirements that you don't get from the company immediately. In fact, we found you almost do some education on the requirements. We found a lot of nonknowledge about the precise requirements for the Academy, for signing an annual statement.

We point out that nothing has a precise recordkeeping requirement. There are some recommended forms, but those are not required forms. The book says you can do your own forms, but that you need something. But also note that you end up getting into this chicken-and-egg dilemma. The actuarial reports, typically an exam in many states, are confidential documents. They're not public documents. Everything done in a financial exam is confidential. So there's no public record. If you're upset with the actuary's statement of qualification, there's almost no one you can report to. You may report it to the controlling examiner for the state et al., but it's more your opinion that this doesn't necessarily meet the precise requirements. It's unlikely that the general examiner for the state is going to put that into the final report, and there is no other NAIC reporting.

Unfortunately, while there's a requirement that the actuary do this, there's no enforcement currently within any mechanism or any ability to, in effect, even file a complaint with the Actuarial Board for Counseling and Discipline (ABCD) because everything you do is confidential. Even if you try doing it on a no-names basis, the ABCD is going to say, "Well, the other side should be able to state its opinion." There's just no way to do it. So, right now while there is a requirement and there is a requirement in *The Financial Condition Examiner's Handbook*, it's hard to say that it's really enforceable. Maybe one day this will change, but it doesn't stop you from having to do it.

MR. SIEGEL: Again, the enforcement at the moment seems to be if you get sued, but we'll see.

MS. JACQUELINE M. KEATING: I'm holding up the *Qualification Standards for Prescribed Statements of Actuarial Opinion*; it's dated April 12, 2001. You might want to find your copy if you've lost track of it or else look on the Academy Web site, because it is the current source of information about what your CE requirements are. It also has some good ideas about how to maintain documentation. So, if you're looking for a place to go or find a resource, this is a very good resource.

I've been asked to talk about best practices in monitoring CE. I'm not going to get up here and tell you that what Milliman is doing is the best practice out there. There are obviously different ways of keeping track of this and monitoring compliance. What I want to say is that these are Milliman's current best practices, and the idea is that we continually look at this. This is something we spend a lot of time and focus on—these quality assurance practices—and right now this is our current best practice. It is better than what we were doing two years ago but probably not as good as what we'll be doing in a couple of years. The message is really just to have the focus on the best practices.

We're going to talk about how you monitor compliance with qualification standards and the part of that reflective of CE requirements. It's hard to talk about

qualification standards and CE requirements in a vacuum, and what I'd like to do is talk about it in a broader sense of what we at Milliman call quality assurance. I want to talk about these four items related to quality assurance that reflect the overall picture: the role of steering committees, the review of signature authority, peer review requirements and CE requirements. All of these topics are related to how we view quality assurance and how we go about monitoring compliance with our own standards, as well as the Academy's standards.

The steering committee is a discipline-specific steering committee—life, health, casualty, employee benefits—and the role of the steering committee is to take the direction we're getting from a corporate point of view and interpret that to the specific consulting environment that a consultant might be working in, whether it's a life consultant or a health consultant. We find that while there's sort of an overall general direction from the corporate office, it really helps to interpret these on a specific level because the types of projects you work on, as well as the types of clients, vary by discipline. So it's important to view these at a more granular level to understand what the implications are. The steering committees will set signature-authority requirements, as well as peer-review requirements, and look at how we can monitor compliance with those requirements on an ongoing basis.

I think one of the reasons I'm up here today is I've been on Milliman's steering committee for the past five-or-more years. I will tell you that these quality assurance topics—signature authority, peer review, CE, qualification standards—are things that we discuss at almost every steering committee meeting just to make sure that we are current on not only understanding the requirements, but also making sure we're communicating that to all of the consultants at Milliman.

Now, you might want to ask, "Why do you have to talk about it all the time? Can't you just have a set of policies and procedures and follow them, and that's the end of the story?" In effect, we find that things change all the time. The types of projects we work on change. The types of clients we have change. We may be doing business or doing work in countries where we've never worked before. So we want to make sure that we're keeping current with not only the professional requirements, but really the dynamics of the types of work we're doing and where we're doing it.

Signature authority is basically addressing who can sign a particular project or be responsible for a particular project, as well as who can be the peer reviewer on that project. This is similar to the concept of qualification standards that the Academy has. One of the issues we go through in determining signature authority is looking at the risk classifications of the types of projects we work on. We will rank every project that we're doing according to a risk scale that basically says, "What's the scope of this type of assignment? What's the potential impact? What type of expertise do you need to be able to really understand this assignment and to complete it?" That includes both the person who's going to be doing the project as well as the peer reviewer.

For example, we might look at a mergers & acquisitions transaction or a demutualization project where there's a broad scope, a potentially large implication to what the answer comes out to be or the work being done, and say, "Well, that's a high-risk project. We want to make sure the people who are working on that project and are responsible for it really have the level of expertise and the qualification they need in order to fulfill that assignment." You might have another assignment which is more general—maybe a research project or an industry survey project—where the level of expertise required is not as significant. That would be a lower-risk assignment, and that would affect our view of who would be eligible to be responsible for that project.

When we're looking at signature authority, this is one place where we're going to embed the Academy standards in addition to saying, "Have you met the qualification standards? Do you have CE requirements?" On top of those standards there are additional Milliman standards that look at things such as length of experience, how long you've been at the firm, what your level of experience in that type of project has been and whether you've been generally following the Milliman guidelines all along. This is one place where we're taking a piece of the Academy qualification standards and saying that that's part of our signature authority requirements but not all.

The steering committees also are involved in setting the peer-review requirements on a discipline level, and that includes both pre-release and post-release peer review. Pre-release is sort of a concurrent review on assignment. Before an assignment goes out or is released, there's another qualified professional, someone who is equally qualified to complete that assignment, who's going to be reviewing that assignment. That's pre-release peer review.

One of the items that the pre-release peer reviewer will do before the assignment goes out is to confirm that the person who is responsible for that project has satisfied the qualification standards of the Academy and that they have met the CE requirement. Here's one step in our process where we're saying, "OK, let's stop for a minute. In addition to having done the work and doing good work, are we also comfortable confirming that the person who's signing this is really qualified according to the Academy standards to sign this work?"

The second phase of peer review is the post-release peer review. This is a process whereby periodically, maybe every couple of years, a specific office location will be post-release peer reviewed. That means you'll have a group of peer reviewers from outside that office who will come in and review the files and the work being done in that office to confirm that the projects are being done following Milliman requirements. This is also another opportunity for us to check and say, "Are the consultants in that office following the Academy guidelines in terms of keeping documentation of the CE?" A peer reviewer would come and ask all of the consultants in the office to pull out their personal files of their CE and documentation to confirm that they are really not only getting the CE credit but

that they do have the appropriate documentation. Again, this is another place where we try to incorporate the Academy standards in our own process.

One of the objectives of our quality-assurance process is to make sure that all of our consultants working in a particular area have met the CE requirements. We try to facilitate that objective, as I said, by embedding these questions about meeting the qualification standards in all of our processes, but we also look for opportunities to provide additional CE forums for our consultants.

The steering committees review and discuss CE requirements and qualification standards, and we look for opportunities to bring that information in front of people. It's very easy to get caught up in the day-to-day work you're doing about risk-based capital or reserving requirements, and it's not easy to always focus on these broader issues of professional standards. We look for opportunities to bring this topic up, and one way we do that is we have annual discipline meetings that are focused on the life area or the health area or whatever. For instance, next week there's a Milliman meeting in Montreal, and it's a joint meeting between life and casualty consultants. We'll look for opportunities in those types of meetings to say, "Well, let's spend a few minutes talking about quality assurance, CE requirements or peer review." We're always bringing these issues to the focus of the consultants in the company.

The other item with respect to CE is that Milliman has been designated as an approved provider of CE by the Academy. I don't know how many organizations have gone through this process. Obviously the Society and the Academy are approved providers of CE, but there's also a process whereby other companies can submit an application to the Academy to become an approved provider. In order to do that, I think you have to demonstrate that you've held suitable sessions that would be eligible for CE over the prior three years. I think there's a minimum of 12 hours of those types of sessions that you'd have to have demonstrated. Once you get the approval, you're subject to review every three years. You're required to keep appropriate documentation in the files of all of the sessions that you've held and your designation of what the CE credits were for those sessions.

MR. BIELUCH: In this formal process of giving CE, it's not always obvious who isn't approved. For example, the Actuaries' Club of Hartford just got approved earlier this year, and now the new sessions are approved. But prior to that, the actuaries' meetings in the Hartford area were not approved CE.

MS. KEATING: Right. If you become an approved provider, what that allows is that the sessions you provide and designate as CE qualify as recognized organized activities by the actuary. That means that actuaries can rely on, in this case, Milliman's representation that this session qualifies, and it qualifies for either the general or specific life PSAO. It takes the burden off the actuary to determine whether that specific session qualifies or not.

As I said before, we look for opportunities to provide additional forums for CE to our consultants. One of these was the forum I mentioned, that next week the life and the casualty consultants will be at a three-day meeting in Montreal, and many of the sessions there will be qualified for CE. The main purpose of holding these sessions is just to make sure our consultants are current on topics and to exchange ideas; but one of the benefits of these sessions is they are eligible for CE credit, and we do recognize that. We also hold seminars throughout the year. They may be either internal seminars or seminars where other consultants, clients or just people who are interested in a topic would be invited to come to a seminar. Again, depending upon the topic, those sessions could qualify for CE.

The last item, conference calls, is something we've been doing more and more in the last couple of years. If there's a particular hot topic or a new development in a particular area, we find it's very useful to set up conference calls for our consultants who can dial in. Generally it's in reaction to, say, a research paper or somebody who's current on a particular issue. Maybe it's a new regulatory requirement, and so those calls are very effective in allowing people to have timely information, to become up-to-date, and it also allows for CE credit.

With respect to the organized activities, again, as an approved provider you can designate these sessions as recognized, organized activities. To qualify, they have to be at least one credit hour, and for organized activities that's 50 minutes. So it has to be at least a 50-minute session. Generally, if it's a lengthy session, I think three-or-more hours, it's mandatory that you have some advance discussion material that's available to the actuaries during the call. I think the key item with organized activities is that they have to allow for interaction of participants, so that there has to be a way, even on a conference call or in a meeting like this, where there's an ability to ask questions and to interact, the key differentiation between an organized activity and other types.

The last topic I want to talk about is individual documentation. As Henry mentioned before, there's a requirement that you keep records of your CE. I think it's for four years beyond the point where you're using it to qualify. So our general process says that individual actuaries should keep those records. It's up to them how they maintain their records, but they're required to have them. One method of compliance that we found very useful is that we ask people once a year to submit the summary of their CE credits. This is not a burdensome requirement. It's just a one-page form, and we find if we ask people at the end of the year around annual review time, they tend to remember to do it. It sort of helps with compliance. There are ways to get people's attention, and you have to try to think of those.

In addition to this annual requirement of filing it, as we're going through the normal process of our work, the pre-release and the post-release peer review, we are continually asking people, "Are you qualified? Do you have the documentation? Can you show it to me?" It's easy to forget these requirements, but if you ask people for them two or three times a year, they tend to remember them a little better.

Chart 2 shows a copy of the standard form that we use. This is the form we would ask people to send in once a year. It's a straight copy from the last page in the Academy booklet. Basically all it says is, for each qualification, whether it's general or specific, to rank the number of hours you've had, both organized and other, for the past two years. The bottom-line test here is whether you have more than 24 hours over the past two years and whether at least 12 of those are in organized activities. This is a simple form; it's a one-pager, it doesn't take a lot of room. If you have a central place you can keep these, it's a good way to make sure you're maintaining the summary documentation but also reminding people they need to keep track of this.

In general, I would say that Milliman's practices basically focus on quality, and we embed in our quality-assurance program the Academy qualification standards and CE requirements. We also try to remind people periodically by bringing these topics up at sessions or seminars or just general internal meetings—continually remind them that these are things they need to be aware of and maintain records for. Then we try to provide forums where people can get additional CE credits, through either meetings or conference calls. It's a little bit easier for people to get some additional CE credit. And, finally, the last factor in this process is to monitor compliance by asking people in the peer-review process and via annual submissions, "Are you really meeting these requirements, and can you document it?" That's currently our best practice.

MR. SIEGEL: If anyone has questions on anything having to do with CE, best practices or anything else you want to talk about, it's the last chance at this session to get up and get your name into the record of the meeting.

MS. REBECCA E. LOWE: Granted, of course, we're all very eager to go out there and accumulate 40 and 50 of these hours every year, but in the case that you actually are accounting for them, there was a reference today—and I had seen it on the Academy Web site—about the 50-minute hour. I'm a little confused when you count a 50-minute hour and when you count a 60-minute hour.

MS. KEATING: I think if it's an organized activity, it's 50 minutes and counts as one credit hour. I think if it's a nonorganized activity where you're doing research on your own or reading, then 60 minutes would be an hour.

MS. LOWE: But I thought I heard someone say right at the beginning of the program that all of our 90-minute sessions were counting as an hour and a half, which is how we got the 12 hours out of eight sessions.

FROM THE FLOOR: Did lunch yesterday count? That would be our eighth session.

MR. SIEGEL: I don't think lunch yesterday counted, no. There were seven one-and-a-half-hour sessions. All together it gives you 12 hours of credit. If you take 60

divided by 50 and multiply it times seven one-and-a-half-hour sessions, you end up with the equivalent of 12 hours.

MS. KEATING: There is one thing we struggle with. As an approved provider, we think it's our requirement to say what sessions qualify and for how much. We've asked the Society before why they don't indicate, for each of these sessions, whether it qualifies for specific or general, and how much time. We haven't gotten an answer yet. But I know for all of those sessions that we hold as an approved provider, in the promotional material we will say this session, we think, qualifies for one hour of general or specific life or health or whatever it is. I don't think the Society does that. I'm not sure why they don't.

MR. SIEGEL: It states specifically in the program that there are 12 hours of CE credit if you attend the whole session.

MS. KEATING: Yes, but if you're looking for requirements for annual statement filing, I don't think going to a GAAP session qualifies for your valuation requirement.

MR. SIEGEL: It doesn't qualify for the specific one. For a general one it would, but not for specific.

MS. LOWE: I have one additional question on the professionalism credits. Now, you had mentioned that attending a seminar like this, which discusses CE, is very specifically actuarially oriented and would count as a professionalism credit. Some of the sessions at the annual meetings or spring meetings sponsored by the SOA are somewhat less specifically actuarially oriented. What about those?

MS. KEATING: General speaking, those sessions would not qualify. For sessions on CE or on qualification standards, we would view those as part of the professional topic that would qualify. That's our interpretation. I'm not sure how the Academy would see this, or who the person is who would make the final judgment as to whether they qualify or not. I think if it's not an approved provider, or they're not telling you exactly, then it's up to your judgment to decide what you think it qualifies for.

MS. NORA E. MOUSHEY: If you go to a presentation, and it's about an actuarial topic, but it's not put on by an approved provider—say it is a company function—would you count that then as an unorganized activity, or can you count it at all?

MS. KEATING: You can count that as an organized activity if it's on the correct topic, and there's a provision for interaction of the participants. It's not a recognized, organized activity. It's not given by an approved provider, but it still can be an organized activity.

MS. KRISTINA L. KENNEDY: If you're participating in an Academy work group, does that count at all for any CE credit?

MR. SIEGEL: Yes. If you're on an Academy committee, and you attend a meeting, that counts as an organized activity.

MR. SHELDON D. SUMMERS: Is the NAIC an approved provider?

MR. SIEGEL: I don't know.

MR. SUMMERS: Many years ago, the Academy told the regulators that being members of the Life and Health Actuarial Task Force counted as an organized activity.

MR. SIEGEL: Absolutely.

MR. SUMMERS: But I'm not sure about people who attend the meetings in the audience.

MR. SIEGEL: I think that all counts as an organized activity. I don't know whether the NAIC is a recognized provider, but I'll find out.

MR. BIELUCH: The Academy Web site has a list of recognized providers.

MR. ROBERT C. TOOKEY: Have you had any input from the legal eagles and especially from actuaries who specialize in expert opinion work—for instance, for pensions and the valuation of pensions in divorce cases? Are they still rarely challenged on their qualifications when they get up and talk?

MR. SIEGEL: I can tell you that the chairman of the Committee on Qualifications is somebody who does a lot of court testifying, and he tells us he's challenged frequently on his qualifications. We get a lot of input from the Academy's legal staff in terms of what we need to do to protect actuaries when they testify.

MR. TOOKEY: Does he just say he's meeting the CE requirements?

MR. SIEGEL: Well, he has to show a log of what he's attended, I guess. Maybe he has to describe what the sessions were all about. It all depends on how important his testimony is, I suppose.

MR. TOOKEY: Yes, you could have a lot of fun if you're on the other side.

MR. JAMES A. JASKOLSKI: I want to comment on what Jackie said. I've often wondered, too, why the Society will not identify sessions, as to what they can get credit for, whether it's specific or general. I think that would be a big help to us. The question is, Why not?

MR. SIEGEL: I agree. I don't know. None of us are on the organizing committee. Well, maybe Phil is. I don't know.

MR. BIELUCH: We'll do that for this meeting next year.

Chart 1



Amount of CE Credit

2003 CONTINUING EDUCATION SEMINARS & MEETINGS As of - April 28, 2003								
Reference #	Status	Date	Location	Title	Attendance (2003)	TC/Class	CE	CC
101 Sponsored by LTC Section	Completed	January 26-29, 2003	Las Vegas NV	1st Annual International LTC Conference	700	100	1.0	with PD
103 ABA	Completed	February 11	San Jose, California	ABA Employee Exercise	100	100	1.0	with PD
104	Completed	February 20-21	Marriott Renaissance San Antonio TX	Underwriting Codes Changes - Edition 3	80	100	1.0	with PD
102	Completed	March 10-11, 2003	DoubleTree Grand Hotel Lake Eden, Va. VA	Small Group and Individual Health Insurance	80	100	1.0	with PD
105	Completed	March 10-11, 2003	DoubleTree Grand Hotel Lake Eden, Va. VA	Individual Value	80	100	1.0	with PD
104 LIPSA/LIPSA	Completed	March 12-14	Omni Hotel New York NY	Life Conference	80	100	1.0	with PD
106 Sponsored with Pension Section and Retirement Section Area	Completed	February 24	Chicago IL	ISAE Webcast	80	100	1.0	with PD
107 LIPSA/LIPSA	Completed	April 8	Baltimore MD	Pension Conference	80	100	1.0	with PD
108 LIPSA/LIPSA	Completed	April 8	Baltimore MD	Stock Market Activity Conference	80	100	1.0	with PD

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Chart 2

Standard Form

2000 - Type Name								
Documentation of Continuing Education Requirements for PSAOs								
Credit Hours Applied by Type of Actuarial Function								
Year Credit Hours Earned by Activity	S1	S2	S3	GC	GH	GL	GP	Other
A-1=Prior Yr Organized								
B-1=Prior Year Other								
A-2=2nd Prior Yr Organized								
B-2=2nd Prior Yr Other								
Continuing Education Credit Hours for PSAOs Issued in Year								
C-Organized=A-1+A-2								
D-Other=B-2+B-2								
E-Total = C+D								
PSAO Tests:								
Total Hours >= 24.00?	No	No	No	No	No	No	No	No
Organized >= 12.00?	No	No	No	No	No	No	No	No

