

Clearing Up Confusion Surrounding Continuing Education Requirements

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Health Watch, December 2020



Continuing professional development (CPD) attestation season is here! Over the years when talking to new ASAs, FSAs and seasoned professionals, I have discovered a lot of confusion about the continuing education (CE) requirements for health actuaries practicing in the United States. I am writing this article with two goals in mind:

- to provide a clear guide to the CE requirements for U.S. members and
- to provide a list of resources to help you get your CEs and maximize the value of your SOA and Health Section memberships.

While I can promise you this will not be the most interesting thing you read today, I am confident that it will help clear up any confusion you may have about CEs and introduce you to a few new resources.

TERMINOLOGY

To begin, let's define a few terms. It may be helpful to refer to this list of definitions as you read through the requirements.

- **Continuing professional development (CPD)** and **continuing education (CE)** are interchangeable terms used to describe the process of credentialed actuaries maintaining and broadening their knowledge base throughout their career. Guidelines and standards are in place outlining minimum requirements actuaries must achieve each year to maintain their qualifications. This emphasis on continuous learning ensures that the learning process does not end after you receive your ASA or FSA. Each year, Society of Actuaries (SOA) members must attest to the SOA that they have met these minimum requirements through [CPD attestation](#).

- **Relevant continuing education (CE) (U.S. Qualification Standards)** credits satisfy the following criteria:
 - "It broadens or deepens an actuary's understanding of one or more aspects of the work an actuary does;
 - the material expands an actuary's knowledge of practice in related disciplines that bear directly on an actuary's work; or
 - It facilitates an actuary's entry into a new area of practice.

"Ultimately, it is an actuary's responsibility to make a reasonable, good-faith determination of what continuing education opportunities will enhance an actuary's ability to practice in a desired field."^[1] Relevant continuing education also includes general business activity and professionalism.

- **Job-relevant skills (SOA Basic Requirement provisions of Section B)** are the same as relevant continuing education, except they do not include general business activity.
- **Directly relevant continuing education (CE)** credits apply *only* to actuaries issuing National Association of Insurance Commissioners (NAIC) Statements of Actuarial Opinion. For the NAIC Life and A&H Annual Statement, topics include:
 - "policy forms and coverages,
 - dividends and reinsurance,
 - investments and valuations of assets and the relationship between cash flows from assets and related liabilities,
 - statutory insurance accounting,
 - valuation of liabilities, and
 - valuation and nonforfeiture laws."^[2]

For the NAIC Health Annual Statement, topics include:

- "principles of insurance and underwriting;
- principles of ratemaking;
- statutory insurance accounting and expense analysis;
- premium, loss, expense, and contingency reserves; and
- social insurance."^[3]

- **Professionalism** includes the professional and ethical standards expected of actuaries, including, but not limited to, the Actuarial Standards of Practice (ASOPs) and the Code of Professional Conduct.
- **General business activity** or **business and management skills** are credits for topics that will help you succeed in your profession but are not actuarial in nature. Examples include communications, presentation skills, managing staff and leadership.

In addition to credits being categorized by content, they may also be categorized by format:

- **Organized activities (U.S. Qualification Standards)** allow you to interact with people outside of your organization. This includes, but is not limited to, live webinars or conferences. A prerecorded webinar does not meet the definition of an organized activity because you do not have the opportunity to interact with other people.
- **Structured activities (SOA Basic Requirement provisions of Section B)** allow interaction among anyone attending the event, including instructors and speakers. You personally do not need to be able to interact. It can be earned by listening to prerecorded events or reading a transcript of the live event. The interactions may be among people within your company, so employer-sponsored activities count for credit.

ARE YOU A CREDENTIALLED PRACTICING ACTUARY IN THE UNITED STATES?

As a credentialed and practicing actuary in the U.S., you **must** fulfill your CE requirement by following the **U.S. Qualification Standards (USQS) General Qualification Standard**. Although they are maintained by the American Academy of Actuaries, you are subject to this set of qualification standards even if you are not a member of the Academy.^[4]

The terminology can be confusing because it says it is for "Actuaries Issuing Statements of Actuarial Opinion in the United States." If you are like me, when you hear "Statement of Actuarial Opinion" you might think of the official document reporting health insurance liabilities to the NAIC. In this case, however, it is defined as "an opinion expressed by an actuary in the course of performing Actuarial Services and intended by that actuary to be relied upon by the person or organization to which the opinion is addressed."^[5] For the purposes of this CE requirement, if you are working in an actuarial role, you are issuing statements of actuarial opinion. This includes actuarial analysts who are working under another actuary, since their manager relies on the analyst's actuarial work.

To file under USQS, you need 30 units of **relevant CE credit** (1 unit equals 50 minutes) per year. Of these 30 units, you must:

- earn at least three units of **professionalism** credit,
- earn no more than three units of CE credit in **general business activity**, and
- earn at least six units of CE credit through an **organized activity**.

Your professionalism credits **do not** need to be earned through organized activities. There is no need to stand in the back of the overfilled room to hear a presentation about ASOPs at your next in-person SOA event. You may get your professionalism credits by listening to a prerecorded webinar or reading the ASOPs from the comfort of your office or home.

Have you earned more than 30 units this year? Unused credits can be carried over one year, but each credit can only be allocated to a single year.

For example, you attended three hours and 45 minutes of live webinars on professionalism this year. This counts as 4.5 credits of organized professionalism.

- You **can** use all 4.5 credits as professionalism and organized activity this attestation year.
- You **can** use 3 credits for professionalism and organized activity this attestation year and 1.5 credits for professionalism and organized activity next attestation year.
- You **cannot** use 4.5 credits of organized activity and 3 credits of professionalism this attestation year and 1.5 credits of professionalism next attestation year.

Your continuing education records should be maintained for at least six years beyond the year(s) to which the records are applicable.^[6] For an example of what should be included in your records, please see Appendix 5 of the complete [USQS guidelines](#) . The American Academy of Actuaries also created a helpful [infographic](#) .

Do You Sign the NAIC Health Annual Statement?

If you are signing the official Statement of Actuarial Opinion to be filed with the NAIC, in addition to the USQS General Qualification Standard requirements previously mentioned, you will also need to meet the Specific Qualification Standards.

Of your 30 units of relevant CE credit, you must meet the following additional requirement:

- earn at least 15 **directly relevant CE credits**, of which six must be organized activities.

WHAT DO I DO IF USQS DOESN'T APPLY TO ME?

If the USQS applies to you, skip this section to avoid any confusion. You **do not** need to satisfy the requirements of SOA Basic Requirement of Section B.

If you are practicing in [Canada](#) , [the United Kingdom](#) , or [Australia](#) . I encourage you to review the CPD requirements for these nations. Everyone else, including actuaries in the United States working in nontraditional actuarial roles, must satisfy the SOA Basic Requirement provisions of Section B.

To attest under the **SOA Basic Requirement provisions of Section B**, you need 60 units of relevant CE credit (1 unit equals 50 minutes) every two-year rolling cycle ending December 31. Credit earned in any calendar year is considered for two attestation periods. Attestation is completed annually. For example, credits earned in calendar year 2020 would be included when attesting in December 2020 as well as in December 2021.

Of these 60 credits, you must:

- earn at least 45 units of credit in **job-relevant skills**, of which at least three must be **professionalism** via a **structured activity**;
- earn 30 units of CE credit through a **structured activity** (those three professionalism credits count);
- earn 7.5 units of CE credit through a **structured activity** that is either presented by an outside speaker at a company event or at an event not sponsored by the company; and
- earn no more than 15 units in **business and management skills**.

Complete guidelines can be found in the publication [Continuing Professional Development \(CPD\) Requirement](#) . from the SOA. See Section B.

WHAT IF I'M AN ASA TAKING FSA EXAMS?

Career ASAs and ASAs taking FSA exams are required to do CPD attestation.

USQS

If you are a credentialed actuary in an actuarial role in the United States, you must attest under the USQS General Qualification Standard.

To file under USQS, the requirements are the same as mentioned above. You must earn 30 units of **Relevant CE credit** (1 unit equals 50 minutes) per year. Of these 30 units, you must:

- Earn at least 3 units of **professionalism** credit
- Earn no more than 3 units of CE credit in **general business activity**
- Earn at least 6 units of CE credit through an **organized activity**
 - study groups **do not** count even if they include people outside your organization, but
 - seminars involving live interaction among participants **do** count if they include people outside your organization.

You may use your study hours as relevant CE credit. However, you may not count the hours taking the exam as relevant CE credit because it is not deepening your knowledge base.

For newly credentialed associates, I highly recommend you review the [FAQs](#). There are no grace periods for new members under the USQS, and FAQ 29 outlines the requirements as they relate to timing.

Basic Requirement Provisions of Section B

If USQS does not apply to you and you do not work in Canada, the United Kingdom or Australia, you may attest under the SOA Basic Requirement provisions of Section B. Exam takers may use their exam and study time as follows:

- You may count exam hours and modules as **relevant CE, structured activity** credit in accordance with the published [schedule](#) . if you receive an exam score above 0 or upon completion of a module.
- You may use up to 30 units of study time as relevant CE each cycle.

As noted in Section A.2.B, "Members are not required to begin earning CPD credits until the calendar year following the year of the attainment of their first credential and are not subject to reporting until the end of the second full calendar year after the attainment of their first credential."^[7]

For newly credentialed associates, I highly recommend you review the [SOA FAQs for Candidates and Students](#).

DO YOU NEED MORE CREDITS?

If you find yourself short on credits, don't fret! The SOA, the Health Section and the American Academy of Actuaries have many resources to please you, the credits you need. Below you will find a list of resources and the credits they will satisfy. Please note, I refer to professionalism as "USQS professionalism" so that it is not confused with the "structured professionalism" required under the Basic Requirement provisions of Section B.

- **Upcoming in-person events and SOA webcasts** for purchase. Credits satisfied:
 - relevant CE,
 - directly relevant CE (for certain topics),
 - organized activity,
 - structured activity with an outside speaker,
 - USQS professionalism (for certain topics), and
 - structured professionalism (for certain topics).
- **Free recorded webcasts** for Health Section members. Log in to [SOA Engage](#), go to "Communities," then "My Communities" and click on "Health Section." Credits satisfied:
 - relevant CE,
 - directly relevant CE (for certain topics),
 - structured activity with an outside speaker,
 - USQS professionalism (for certain topics), and
 - structured professionalism (for certain topics).
- **Discounted SOA webcasts** for purchase. Health Section members receive a \$25 discount per Health Section-sponsored webcast. Credits satisfied:
 - relevant CE,
 - directly relevant CE (for certain topics),
 - structured activity with an outside speaker,
 - USQS professionalism (for certain topics), and
 - structured professionalism (for certain topics).
- Upcoming live (or purchase) and free previously recorded [professionalism webinars](#) for members of the American Academy of Actuaries. Credits satisfied:
 - USQS professionalism,
 - structured professionalism, and
 - organized activity (live webinars only).
- Join a [Health Section subgroup](#). Subgroups are communities of SOA and non-SOA members who are interested in one of nearly 20 specific health care topics such as Medicare, Medicaid and pharmacy. You may join as many as you want. Some subgroups meet regularly while others are a resource for sharing relevant information via email. Relevant discussions stemming from these subgroups may satisfy CE credits. Credits satisfied:
 - relevant CE,
 - directly relevant CE (if certain topics are discussed),
 - organized activity, and
 - structured activity with an outside speaker.
- **Volunteers with the SOA**. Depending on the opportunity, you may qualify for CE credit. Opportunities other than grading are available! Log into [SOA Engage](#), go to "Volunteer," and click on "Volunteer Opportunities." Possible credits satisfied:
 - relevant CE,
 - directly relevant CE (for certain topics),
 - organized activity, and
 - structured activity with an outside speaker.
- Listen to free [podcasts](#) from the Health Section. Credits satisfied:
 - relevant CE,
 - directly relevant CE (for certain topics), and
 - structured activity with an outside speaker.
- Read [SOA Health Care Cost Trends Strategic Research](#) or [other SOA health research](#). Credits satisfied:
 - relevant CE and
 - directly relevant CE (if you select specific topics).
- Looking for a shorter read? Read articles in the Health Section newsletter, [Health Watch](#), or [The Actuary](#). Credits satisfied:
 - relevant CE and
 - directly relevant CE (if you select specific topics).
- Review the [Actuarial Standards of Practice](#), the [Code of Professional Conduct](#) , or [other Academy of Actuaries professionalism content](#). Credits satisfied:
 - USQS professionalism.
- Tired of reading things written by actuaries? [Health Affairs](#) is full of articles written by various industry experts and is free for all Health Section members. Contact Ladelia Berger at lberger@soa.org for access. Credits satisfied:
 - relevant CE and
 - directly relevant CE (if you select specific topics).
- Write an article for [Health Watch](#) (shameless plug, I know!). Credits satisfied:
 - relevant CE and
 - directly relevant CE (if you select specific topics).

CONCLUSION

I hope this article has given you everything you need to make your attestation as painless as possible. I encourage you to [review all CE guidelines](#) in greater detail, particularly if you have unique circumstances. [CPD attestation](#) is open on the SOA website Nov. 1 through March 1.

If you are a member of the American Academy of Actuaries, you do not need to attest on their website. Maintaining records of CE credits is mandatory, but the attestation form on their website is voluntary.

When you pay your SOA dues, don't forget to sign up for the Health Section. For \$40, you get access to the following benefits:

- free access to recorded Health Section-sponsored webcasts that are one year or older,
- \$25 off each Health Section-sponsored webcast, and
- free access to [Health Affairs](#).

I hope to see you all in person while we get our organized CE credits at the 2021 SOA Health Meeting.

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^[1] American Academy of Actuaries, Section 2.2.7 in *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*, January 2008, <https://www.actuary.org/sites/default/files/qualstandards/qual.pdf> (accessed November 15, 2020).

^[2] American Academy of Actuaries, Sections 3.1.1.1 and 3.1.1.3 in *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*, January 2008, <https://www.actuary.org/sites/default/files/qualstandards/qual.pdf> (accessed November 15, 2020).

^[3] *Ibid.*

^[4] American Academy of Actuaries, U.S. Qualification Standard, Section 1, in *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*, January 2008, <https://www.actuary.org/sites/default/files/qualstandards/qual.pdf> (accessed November 15, 2020).

^[5] *Ibid.*

^[6] American Academy of Actuaries, Section 6.1 in *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*, January 2008, <https://www.actuary.org/sites/default/files/qualstandards/qual.pdf> (accessed November 15, 2020).

^[7] Society of Actuaries, Section A.2.B in *Assessing Professional Development (CPD) Requirements*, June 2014, <https://www.soa.org/globalassets/assets/files/static-pages/professional-development/current-cpd-req.pdf> (accessed November 15, 2020).