March 7, 2018

The Honorable James J. Donelon, Chair
The Honorable Jessica Looman, Vice-Chair
NAIC Casualty Actuarial and Statistical (C) Task Force
1100 Walnut Street, STE 1500
Kansas City, MO  64106-2197

ATTN: Kris DeFrain, FCAS, MAAA, CPCU

RE: Revised Qualified P/C Actuary Definition and New Qualification/Attestation Requirements

Dear Commissioner Donelon and Commissioner Looman:

On behalf of PIAA and the medical professional liability (MPL) insurance community, I would like to thank the Casualty Actuarial and Statistical (C) Task Force for giving us an opportunity to share our perspective on the potential impact of the revised definition of qualified property and casualty (P/C) actuaries, (qualified actuaries) and new knowledge and attestation requirements regarding these actuaries, on the MPL insurance community.

PIAA is the insurance industry trade association that represents a full range of entities doing business in the MPL arena, including MPL insurance companies, risk retention groups, captives, trusts, and other entities. PIAA members include MPL enterprises owned and/or operated by physicians, hospitals, health systems, dentists and oral maxillofacial surgeons, podiatrists, chiropractors, and healthcare providers such as nurse practitioners, nurse midwives, CRNAs, and many others, as well as insurance carriers with a substantial commitment to the MPL line. PIAA members insure more than two-thirds of America’s physicians in private practice, as well as dentists, nurses and nurse practitioners, and other healthcare providers, and they insure more than 2,000 hospitals nationwide.

PIAA shares the National Association of Insurance Commissioners’ (NAIC) desire to ensure that qualified actuaries meet certain minimum educational requirements and core competencies before being allowed to issue a P/C Statement of Actuarial Opinion (SAO) as an appointed actuary. However, our members have expressed concern about the proposal currently before the Casualty Actuarial and Statistical (C) Task Force.

Our members concerns fall into three main areas, as follows:

- **Resources** – The proposal requires a vast quantity of information to be provided by an individual seeking to be an appointed actuary, information that will take considerable time to compile. In addition, boards of directors seeking to appoint an actuary will have to focus more of their time reviewing this information. Our members seek a plan that will not result in an increased burden for either the insurer or the actuary as part of the appointment process. As such, any
information required of the actuary should be directly relevant to the specific appointment being sought, avoiding requirements that are unnecessary for the SAO in question.

- **Confidentiality** – The proposal requires an actuary to make available information, including a list of clients, that may not be directly relevant to the individual’s qualifications or may not be appropriate for release as part of the actuarial statement. Our members seek a plan that will ensure that information about both the insurer and actuary that should remain confidential is adequately protected. As such, information that must be made publicly available should be limited to that which is absolutely necessary for ensuring the actuary’s qualifications.

- **Balance** – The requirements being placed on the actuary appear to apply only to one seeking appointment to issue an SAO. Our members believe that it is only appropriate that reviewing actuaries be held to the same standard as issuing actuaries. As such, requirements for demonstrating competency should apply to any actuary with oversight of an SAO, regardless of which end of the process they may be involved.

In closing, PIAA appreciates this opportunity to provide input on this task force’s proposed changes to the definition and qualification/attestation requirements pertaining to **qualified actuaries** in the P/C insurance industry. In the meantime, please do not hesitate to contact me should you need any further information.

Sincerely,

Michael C. Stinson
Vice President of Government Relations & Public Policy