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FMA CIRCULAR

CONCERNING THE PROFESSIONAL QUALIFICATION OF THE RESPONSIBLE ACTUARY OR DEPUTY (VAG 1978)

DISCLAIMER: This circular does not constitute a legal regulation. It is intended to serve as guidance and reflects the FMA's legal interpretation. No rights and obligations extending over and above the provisions of the law can be derived from circulars.

Pursuant to Article 24 para. 2 of the *Versicherungsaufsichtsgesetz* (VAG; Insurance Supervision Act), the responsible actuary or deputy of the responsible actuary must have the required personal qualities and the professional qualification.

The Financial Market Authority (FMA) considers the professional qualification of a responsible actuary or deputy of the responsible actuary appointed in the future pursuant to Article 24 para. 1 VAG as sufficient, provided the following conditions are met:

- Diploma degree in mathematics, technical mathematics or a comparable diploma degree from a university
- Sufficient specialised knowledge in:
 - Insurance mathematics

Sufficient specialised knowledge in insurance mathematics presupposes knowledge in at least the following areas:

- Life insurance mathematics
- Health insurance mathematics *
- Non-life insurance mathematics
- Risk theory
- Ruin theory
- Actuarial modelling
- Asset liability management

- Financial mathematics or financial management

Sufficient specialised knowledge in financial mathematics or financial management presupposes knowledge in at least the following areas:

- Option price theory
- Portfolio theory

- Law and business

Sufficient specialised knowledge in law and business presupposes knowledge in at least the following areas:

- Insurance contract law #
- Insurance supervision law #
- Insurance economics #
- Accounting in the insurance sector (incl. international accounting)

- At least three years of practical experience as actuarial mathematician, acting on one's own responsibility, during the past ten years, including actuarial duties that are important for the intended position as responsible actuary or deputy of the responsible actuary.

In the course of informing the FMA of the appointment of a responsible actuary or deputy of the responsible actuary pursuant to Article 24 para. 3 VAG, the following documents must be submitted to the FMA:

- Proof of a diploma degree in mathematics or technical mathematics
- Proof of a successfully completed actuarial education to an extent comparable to at least 16 weekly hours per semester at a university. For an appointment as responsible actuary or deputy of the responsible actuary in health insurance operated according to the technical principles of life assurance, proof of the subjects marked with an * is required to an extent comparable to at least 3 weekly hours per semester at a university.
- Proof of a successfully completed course in financial mathematics or financial management to an extent comparable to at least 4 weekly hours per semester at a university. If the appointment of a responsible actuary or deputy of the responsible actuary is made before 31 December 2008, proof of knowledge of financial mathematics or financial management must be submitted by 31 December 2008.
- Proof of a successfully completed course in law and business to an extent comparable to at least 12 weekly hours per semester at a university, of which at least 2 hours are in the subjects marked with a #.
- Job description of an actuarial activity extending over a least 3 years.

If a person has worked for at least three out of the last ten years as responsible actuary or deputy of the responsible actuary and is subsequently appointed as responsible actuary or deputy of the responsible actuary, their professional qualification will usually be considered as sufficient.

The professional qualification will also be considered as sufficient if the person to be appointed has a diploma degree in mathematics, technical mathematics or a comparable diploma degree, is a member of the Recognised Actuaries Section of the Actuarial Association of Austria or fulfils the admission criteria of that body, and has held a comparably responsible position for at least three out of the last ten years.