



## INTERNATIONAL ACTUARIAL ASSOCIATION

### Education Committee Meeting April 20, 2017 — 08:00-12:30 Marriott Hotel – Budapest

*The attendance list is available at the end of these minutes.*

#### 1. Introduction and welcome

The Chair Bozena Hinton called the meeting to order and asked attendees to introduce themselves. The chairperson also welcomed the new members to the committee:

- Jeremy Brown - Society of Actuaries
- Yair Babad – Israel Association of Actuaries
- Malcolm Campbell – Svenska Aktuarietföreningen
- Abhay Tewari – Institute of Actuaries of India

#### 2. Approval of the Cape Town meeting minutes and review of action items

The minutes of the previous meeting were approved as presented and the action items were noted.

##### *Action item*

*Secretariat will post to the website. (Done)*

#### 3. 2016 Workplan / goals

The chairperson indicated that the committee's workplan will be adjusted to take into consideration the information on the syllabus to be presented by Tom Terry during this meeting as well as the discussion that will take place during the Council meeting.

The chairperson also informed that the workplan should reflect the work being done by the different interest groups and the information being shared.

#### 4. A) Education Questionnaires Reviews

- 1) *Actuarial Society of the Philippines*. Pat Teufel and Jerry Brown volunteered to do this review.
- 2) [Canadian Institute of Actuaries](#). Régis de Laroullière and Andrew Gladwin volunteered to do this review. A representative of the association indicated that the changes made are not substantial in terms of coverage but it is changing the way in which the coverage is being assessed.

#### B) Full Membership Application

- 1) [Actuarial Society of Kazakhstan](#). The reviewers, Pat Teufel and Andrew Gladwin, indicated that the submission from the applicant was quite comprehensive in terms of the mapping of their syllabus to the current IAA syllabus. They made some recommendations related to aligning their

syllabus to the new IAA syllabus but in terms of the current syllabus the information presented by the applicant complies with IAA requirements.

It was agreed to inform the Accreditation Committee that from an Education perspective the applicant can be recommended for full membership.

2) [Actuarial Society of Sri Lanka](#). The reviewer of the documentation submitted by the applicant, Marjon Tjia, indicated that the association is derivative so the review was straight forward. It was noted that the reviewer recommendation on holding regular CPD sessions on local topics should not prevent the Committee to recommend the association for full membership.

It was agreed to inform the Accreditation Committee that from an Education perspective the applicant can be recommended for full membership.

3) *Actuarial Society of Ghana*. The reviewer, Yvonne Lynch, indicated that the association had recently made a change to their Constitution to indicate that they are a derivative association. The only concern raised was with regards to the way their constitution was set up as, theoretically, an associate member of an society where an associate member is not a fully qualified actuary in IAA terms, could be considered a fully qualified actuary for the Actuarial Society of Ghana. Nonetheless this should not prevent the committee from recommending the association to the Accreditation Committee, as this was not the case for the societies that the Actuarial Society of Ghana members were likely to study through.

It was agreed to inform the Accreditation Committee that from an Education perspective the applicant can be recommended for full membership.

A question about the criteria utilized when making these evaluations was posed. The information submitted by the Canadian Institute of Actuaries on their Education Questionnaire was mentioned as a good example of mapping presented when member or applicant associations make changes to their education syllabus. Education Committee reviewers go through the information presented and when doubts arise the applicant or member association is contacted with a set of clarifying questions. Recommendations, when needed, will be made depending on the answers to those questions. Often the answers are satisfactory but when this is not the case, associations are required to address the issues before being recommended for membership or having their new education syllabus approved.

It was further mentioned that when an association has a derivative path, the review is very easy because the education system of the full member association from which they admit members already complies with IAA requirements.

In the case of associations that have their own education system, reviewers evaluate the self-assessment provided which clarifies how different requirements are covered. It was mentioned that quite often the information submitted is approved under a "substantial compliance" rationale. It has been the case that some associations have presented their self-assessment with large parts of the syllabus missing, so the Education Committee has worked with them to help them reach "substantial compliance".

## 5. Actuarial Educators Network Update

Isabelle Larouche, the chairperson, indicated that the network is still trying to recruit more members and since the meetings in Cape Town 20 new members were added, mostly from Europe.

The last newsletter was issued during the month of March and a new one is expected to be submitted during the month of May.

Committee members were encouraged to submit any information they would deem of interest for actuarial educators to be included in the newsletter. It was noted that the Mortality Working Group had already expressed their interest to submit an update on their activities and work. Any submissions could be sent to Isabelle Larouche, Rafael Moreno or [Karla Zúñiga](#) from the IAA Secretariat.

## 5. ICA 2018

Committee members were invited to participate in the International Congress for Actuaries that will take place from 4-8 June in Berlin, right after the IAA meetings. The [Call for papers](#) was recently published. It was mentioned that the ICA includes education sessions and that a working group, including representatives from several committees, is trying to set up the program.

It was mentioned that this is the first congress that will have a virtual component together with the on-site congress.

Committee members were invited to participate either in the on-site ICA or in the virtual ICA. It was noted that the on-site program will be streamed to interested participants that cannot attend but there will also be an additional program for the virtual congress to give the possibility of taking the content from the congress and share it with a wider audience.

More information can be found at <http://www.ica2018.org/>

## 6. Education Interest Groups: sharing experience

The chairperson indicated that this is an instance for members to share their association's experience on specific topics as a means of learning from each other and receive some ideas that could be of interest for their association. She emphasized that the interest of the committee is to hear from big *and* small associations from around the world, so she called on committee members to volunteer to talk for the Chicago meeting.

a) *Banking*. Andrew Gladwin made a [presentation](#) on the South African experience on Banking. Some of the points made during this presentation were:

- The current basic actuarial toolkit can be applied in a number of banking situations (e.g. run-off triangles, multiple decrement models). The banking exam therefore focuses on practical aspects of applying actuarial science to working in banks.
- A number of students in South Africa are writing the banking exams , and are already working in banks (about 10% of our students)

- There is a strong involvement of universities within the South African actuarial education system
- The banking legal framework in South Africa is covered in the banking subject and in the practical insurance one.
- In some countries the regulator has credentialed supervision over financial institutions including banks, life insurance companies and insurance companies which increases the communication between these institutions and the regulators.
- A competitive advantage for actuaries is that there isn't an equivalent banking professional, as most of the people working on banking are accountants or CFAs.
- The ASSA considers banking as part of their Fellowship actuarial qualification. (above the level of basic qualification for their FQAs.)
- In Australia, there are several actuaries working in Banking. There are 4 big banks owning insurance companies that have come to dominate the market. In many cases Actuaries have had a good career as they have started within the insurance company and then transferred to the bank, however this does not answer the question of whether banks are hiring actuaries.

*b) Continuing Professional Education (CPD)*

Yvonne Lynch lead a discussion on CPD which included the various initiatives from the Society of Actuaries in Ireland, the Actuarial Society of South Africa, and the Actuarial Society of Turkey.

The Actuarial Society of South Africa is trialling an outcome based CPD approach, rather than the traditional approach of measuring the number of CPD hours (inputs). A video describing the new CPD process was shown. This outcomes-based method has received a high degree of acceptance among members of the ASSA and will be used by around half their membership in 2017.

The Society of Actuaries in Ireland CPD approach follows the traditional system whereby it is mandatory for its members to complete a certain number of hours per year addressing subjects relevant to their role. The SAI develops its own CPD such as podcasts, papers, events and an ERM resource database and it also encourages its members to seek CPD opportunities from other sources, with the intention of allowing actuaries to be exposed to a broader offering. CPD is a standing agenda item for many of the Society's committees so they consider possible courses, speakers and so on.

Ayşe Arik informed the committee that the Actuarial Society of Turkey follows the rules established by the Turkish Secretary of Treasury. These state that since 2008 CPD is a legal requirement mandating actuaries in the country to follow a 5-day education seminar. The society is willing to improve its CPD and examinations system but would like to seek the assistance of experts from the Education Committee to achieve that task.

Isabelle Larouche informed the committee that the Canadian Institute of Actuaries delivers CPD education in Canada. This year the CIA underwent an extensive review of CPD requirements including the number of hours necessary to complete and the format used to

deliver CPD and they are expecting to have a more concrete idea of CPD requirements closer to the Chicago meetings. Isabelle offered to make a presentation on Canadian CPD for the next Education meeting.

Ermanno Pitacco indicated that the *Istituto Italiano Degli Attuari E Ordine Nazionale Degli Attuari (ISOA)* has to follow the rules established by the government, which recently recognized CPD as a mandatory element. Now the association is completing a transitional stage allowing them to organize CPD courses of various lengths for its members.

**Action item:** Committee members from the *Canadian Institute of Actuaries*, the *American Academy of Actuaries* and the *Association Marocaine des Actuaire*s to prepare presentations on their association's CPD requirements for the Chicago meetings.

*c) Relationship with Universities Survey.*

A [survey](#) is being proposed to ask different associations about their relationship with universities. Committee members were asked to pose questions or express any concern they might have on the questions included so the survey. The group will present a report with the results for the Chicago meetings.

*d) Professional / Normative skills*

The representative from the *Deutsche Aktuarvereinigung e. V. (DAV)* made a [presentation](#) on how his association addresses professionalism topics. Professionalism topics are covered in courses that have been included in the DAV's education curriculum to align it with the IAA's new syllabus.

It was noted that the DAV's courses are mostly based on case studies without any formal requirements. Currently, German actuaries can decide when to take this course but there is an initiative to require it with the later set of examinations to ensure that they have technical knowledge and working experience so they can take the case studies on a different environment with the knowledge they have. It was further mentioned that the DAV has 5 to 6 courses per year and the association is thinking about having courses on health, life, non-life.

The representative from the *Aktuarvereinigung Österreichs (AVÖ)* indicated that in Austria it is sufficient for the participant to be present in the course. They also offer exams on this topic and if they pass the exam they can skip the course.

The representative from the *Society of Actuaries* indicated that one of the courses that an SoA actuary takes on its way to associateship is called Fundamentals in Actuarial Practice which is taken after the mathematical exams. While this course is not a communications course as such, it involves the review of a written report on a problem resolution. Actuaries aspiring to associateship must pass a one day course covering: what it means to be part of the profession, the code of conduct, 3 or 4 case studies, and professionalism and practice. Actuaries aspiring to fellowship undertake several modules depending on the track the actuary is taking. The final requirement for becoming a Fellow of the Society of Actuaries is attending a 3-day professionalism course that has case studies, outside speakers on communications, and requires candidates to make a presentation. With regards to post qualification the SoA focusses mostly on CPD.

The representative from the *Instituto de Actuarios Españoles* indicated that the actuarial profession is regulated and that they have a university based education system, so all their members have a masters degree of actuarial sciences on top of a degree of economics, business administration, mathematics or engineering. Education on professionalism consists of a short course or a two-day seminar scheduled at the end of the program focussed on the code of conduct of the Instituto de Actuarios Españoles and covering the main legislative concerns. This is taught by fully qualified members of the association. It does not include exams but it is held in a workshop format reviewing case studies. On May 5 2017 the association will host a one day pre-seminar focussing on the new standard and to answer some of the questions that the industry has been posing.

The representative from the *Istituto Italiano Degli Attuari E Consiglio Nazionale Degli Attuari* indicated that the actuarial training is university based and that the professional body decided to constitute an institution at the national level to integrate what is provided by the university with what is required by the professional body.

**Action item:** Representatives from *Actuarial Society of South Africa*, the *Canadian Institute of Actuaries*, *Institute of Actuaries of Japan*, and the *Society of Actuaries in Ireland* to prepare a presentation on this topic for the Chicago meetings.

## 7. Syllabus Next Steps

Tom Terry indicated that since the Cape Town meetings, he and the IAA Secretariat's Executive Director have visited and engaged in conversation with various member associations to listen and understand their concerns with regards to the syllabus. He indicated that he was pleasantly surprised that the leadership of the IAA member associations is interested to move forward with the syllabus and to take care of the requirements and challenges that the actuary of the future is facing from the education and business side.

He indicated that following the feedback received, the Executive Committee decided to set up a plan to adopt the syllabus. The full recommendation that will be presented at Council covers several aspects but for the purposes of this meeting, the following was discussed:

- The Executive Committee would like Council to let them know whether they are going on the right direction, before working all the implementation details of the syllabus.
- The Executive Committee wants to adopt the syllabus, specifically the section that includes the learning areas, the topics and the subtopics.
- The Executive Committee believes that actuarial associations must have a suitable education program benchmarked to the IAA education core syllabus with substantial coverage of the 9 learning areas, or demonstrate significant alignment with the IAA core syllabus while reflecting the local practice qualification requirements and/or the specific requirements or specialty practice area.
- The EC expect that new members will be assessed in the same way they are assessed right now, but they are still assessing at which level will current members be reviewed.
- The EC is expecting to orient the Education Committee's efforts towards focussing in excellence and innovation in Education.

Some of the concerns expressed following the presentation include:

Council should not be asked to vote on the syllabus until the details are established.

The representative from the *Institute and Faculty of Actuaries* indicated that his association would like to see more transparency in terms of the self-assessments that associations will be required to complete. They would also like to receive a better indication on how the process will work as the syllabus changes, and how the self-certification be quality assured.

The Executive Committee acknowledges that qualification to practice is the responsibility of each member association. The IAA does not dictate what it means to qualify to practice in any jurisdiction, and because the IAA is not an accrediting organization the EC will recommend changing the name of the Accreditation Committee to the Membership Committee. The IAA has membership criteria, membership thresholds, membership requirements, but it does not accredit.

The representative of the *Actuarial Society of South Africa* indicated that his association is very supportive to see the syllabus move forward. He indicated that a syllabus will always be a work in progress as changes in knowledge and practice occur and the syllabus adapts accordingly. It is appropriate to have a benchmark that allows flexibility in compliance.

The representative from the *Institut des Actuaire*s indicated that his association is supportive of the flexibility proposed with the syllabus roadmap. He explained that his association had not been supportive of the syllabus because the proposed preamble to the new syllabus represents the opposite of the current highly flexible system outlined on articles 6 and 8 of the [IAA Statutes](#) and in Section 2 of the [IAA Internal Regulations](#).

It was noted that the EC's way forward does not consider making changes to the IAA governing documents but to adapt the syllabus *without the preamble*.

The representative of the *Aktuarvereinigung Österreichs (AVÖ)* indicated that the IAA should not consider approving the syllabus without listening and bridging opposing opinions. He recommended having a forum for discussion to ensure that those dissenting voices are heard and having a vote during a face-to-face Council meeting.

The representative from the *Suomen Aktuaariyhdistys* mentioned that his association has some local restrictions that would not allow them to make changes to their membership categories. They will arrange some education courses for all full actuaries to comply with the new requirements but they will have to do so taking into consideration the legal restrictions that bound them.

The representative of the *Instituto de Actuarios Españoles* indicated that his association was not comfortable with the idea of having two syllabi, as suggested in Cape Town. Although they understand the complexity of the situation many other associations face, they prefer having only one syllabus that highlights the core knowledge of the actuary. This would be in line with the initial idea of reviewing the syllabus to expand the areas of professional competencies while maintaining the core knowledge of the actuary. He stressed the importance for all associations to have the same information at the same time in order to have the internal discussion process that will allow them to submit their vote.

It was noted that the IAA must trust its members to do what is right and to recognize that innovation will create variation in what member associations do.

The representative from the *Deutsche Aktuarvereinigung e. V. (DAV)* indicated that his association supports the idea of having a minimum syllabus in actuarial education that should be required of everyone. Being innovative and having new education requirements is aligned with having a good education core.

The representative from the *Istituto Italiano Degli Attuari E Ordine Nazionale Degli Attuari (ISOA)* also agrees with the idea of having a core syllabus.

The representative of the *Society of Actuaries* indicated that as the IAA requires a code of conduct, a discipline process, it also requires an education system. It is to the profession to decide who is a member of the profession. Having standards is a core function of the IAA and it is reasonable to ask all actuaries to comply with a minimum. The danger is letting others decide who is a member of the profession. With regards to the road map, he expressed his concern about the self-assessment aspect as he indicated that current associations should undergo a similar level of review to the one that new members undergo when they apply.

A representative from the Actuarial Association of Azerbaijan indicated that from her association's perspective a minimum requirement is of critical importance for a small association working on its development. She indicated that when her association was formed, it followed the education system from Kazakhstan (an association to be recommended for full membership) with the intent of adapting it to create a program that would work for Azerbaijan. Now the regulator has decided that from the minimum of 6 exams that an actuary would have to pass before, now only one exam is required. She requested to receive the education information that Kazakhstan submitted with their application so Azerbaijan can prove that the path they were following, before the involvement of the regulator, was the correct one.

A call for not losing the aspirational aspects of the syllabus was made, as it would be a great idea to know what does the actuary of the future need to know in data science for instance. It was noted that although not related to a minimum syllabus, it would be productive work for this committee.

The representative of the *Svenska Aktuarieföreningen* indicated that his association voted against the syllabus because they did not see its balance. He indicated that the association might have problems with the way it is implemented. Nonetheless if Council votes on the syllabus itself, the current IAA regulations offer the flexibility it will need to implement it.

After listening to all these opinions, Tom indicated that the intention of EC is to recognize that the syllabus represents the future of the profession, that it will evolve and change. He noted that the EC is proceeding with a Council discussion because it must decide how to include the syllabus into a suitable governance process.

*Respectfully submitted, Karla Zúñiga-Cortés*



## **Attendance List**

**Chairperson:** Bozenna Hinton (Actuaries Institute Australia)

**Vice-chairpersons:**

Mark Stocker (Institute and Faculty of Actuaries)

**Members:**

Pat Teufel (Casualty Actuarial Society)  
 Mohamed Amrani, Association Marocaine des Actuaire  
 Yair Babad, Israel Association of Actuaries  
 Al Beer, American Academy of Actuaries  
 Jeremy Brown, Society of Actuaries  
 Christian Buchta, Aktuarvereinigung Österreichs (AVÖ)  
 Ruth Chu, Actuarial Institute of Chinese Taipei  
 Régis De Laroullière, Institut des Actuaries  
 Andrew Gladwin, Actuarial Society of South Africa  
 Hirota Ito, Japanese Society of Certified Pension Actuaries  
 Isabelle Larouche, Canadian Institute of Actuaries  
 Yvonne Lynch, Society of Actuaries in Ireland  
 Rafael Moreno, Instituto de Actuarios Españoles  
 Yoshio Nakamura, Institute of Actuaries of Japan  
 Jari Niituiperä, Suomen Aktuaariyhdistys  
 Ermanno Pitacco, Istituto Italiano degli Attuari e Ordine Nazionale degli Attuari  
 Henning Wergen, Deutsche Aktuarvereinigung e. V. (DAV)

**Ex-Officio**

Isabelle Larouche, Chairperson Actuarial Educators Network

**Executive Committee Liaison**

Peter Doyle

**Observers:**

Gun Albertsen  
 Steve Alpert  
 Carla Angela  
 Ayse Arik  
 Dilara Asadova  
 Conrad Backeberg  
 Ralph Blanchard  
 Nancy Brathwaite  
 Brian Brown  
 Mary Downs  
 Janet Duncan  
 Clifford Friend  
 Ken Guthrie  
 Thanuja Krishnaratna  
 Martin Lombardi  
 Steve Lowe

Jenny Lyon  
Helge-Ivar Magnusen  
Mary Frances Miller  
Dino Mon  
Tomio Murata  
John Oost  
Alicia Rollo  
Jacek Skwierczynski  
Orlando Sanchez  
Hideyuki Sumi  
Neil Taoe  
Tom Terry  
Tim Wekhoven  
Stephen Yeboah

**IAA Secretariat:**

Karla Zúñiga-Cortés, Coordinator, Communications and Membership  
Christian Levac, Director Communications and Membership  
Mathieu Langelier, Executive Director