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Continuing Professional Development Strategy

Introduction

1. Purpose

The purpose of this strategy for Continuing Professional Development (CPD) is to examine CPD from a number of different perspectives and to set out what the Groupe Consultatif expects of its member associations with regard to CPD.

Firstly, from the perspective of an individual actuary, the strategy looks at the importance of CPD as part of a philosophy of life-long learning and in ensuring that actuaries meet the public's expectations with regard to up-to-date and relevant knowledge and skills. The focus of this aspect is on the personal responsibility of individual actuaries to ensure that they are competent to provide actuarial services and to give relevant and high quality advice.

Secondly, from the aspect of a national association, this document is intended to be helpful to associations in planning their CPD strategy and in considering the role of the national association in ensuring that their members are competent and up-to-date. In this context the strategy considers the amount of CPD which associations might require of their members, the responsibilities of associations to make CPD available and how participation in CPD activities should be monitored.

Thirdly, the strategy looks at the role that the Groupe Consultatif might play in encouraging member associations to introduce CPD requirements and in ensuring adequate provision of CPD opportunities, in particular through the Education Committee.

Part I : CPD and the Individual Actuary

2. What is CPD?

Continuing Professional Development (CPD) may be defined as the development of knowledge and of technical, professional, personal, business and management skills and competencies throughout an actuary's working life. It may sometimes be referred to as Continuing Education or Formation Permanente. As members of a profession, individual

actuaries have a responsibility to ensure that they remain competent and current in their knowledge and skills and that they are committed to a philosophy of life-long learning.

The Groupe Consultatif Code of Conduct requires that an actuary should only perform professional services if he/she is competent and appropriately experienced to do so. Undertaking CPD to maintain competence and to remain up-to-date is a necessary part of complying with that aspect of the Code of Conduct.

CPD refers to the development of the whole person with attention to technical actuarial skills, related professional skills, business and management skills, professionalism skills and personal skills such as independence of thought and time management.

Actuarial knowledge and the environment in which actuaries are working are constantly changing and developing and actuaries need to keep up with such developments in order to be able to provide a high quality service.

3. The need for CPD

All actuaries are encouraged to undertake CPD for the following reasons:

- On qualification an actuary is at the start of his/her career and has much still to learn and experience to be gained, so CPD will be essential to continue the process of development.

- It is important that an actuary keeps abreast of developments in actuarial techniques so that the actuary's work is up-to-date and relevant.

- An actuary needs to be aware of current methodologies and factors which may affect the suitability of methodologies, models and assumptions.

- An actuary needs to maintain his/her familiarity with the complex environment in which he/she works.

- An actuary needs to keep up with new actuarial standards of practice and modifications to existing standards.

- An actuary needs to be aware of developments in national and international legislation and accounting standards.

- Actuaries taking up statutory roles need to keep up to date with developments in their profession, in the statutory role and in the supervisor's responsibilities as well as the industry in which they are practising.

- Actuaries may take on a number of different roles over their careers, including managerial roles, and personal development will be necessary to equip them for these new roles

- Actuaries who move between countries or work in an international environment need to understand the different regulatory and legislative framework in each country and the applicable accounting standards and actuarial standards and practices.

- The expansion in the profession means that actuaries are moving into new areas of practice with the consequent need for personal development.

- Actuaries need to be regularly challenged to think through ethical and professional questions.

- It is in the public interest that actuaries should be seen to be competent in the areas in which they practice.

- The reputation and standing of the actuarial profession depends on actuaries giving relevant and up-to-date advice.

- Even actuaries not working in specifically actuarial roles should ensure that they are competent and up-to-date in whatever they do and should bear in mind in what respects others might expect them to be knowledgeable as qualified actuaries.

4. How to approach CPD?

Each actuary should plan his/her professional development and programme of CPD.

- It is the responsibility of each actuary to plan his/her own development programme. At different stages of his/her career there will be a need to address a different range of skills.

- In planning a CPD programme the actuary needs to consider maintenance, broadening and improvement of skills and knowledge.

- Objectives should be set by each actuary to achieve their CPD programme.

- CPD activities undertaken should relate to these objectives.

- Relevant work experience should form part of the development plan.

- The individual actuary should consider how to monitor progress towards their objectives, either on his/her own and/or in conjunction with the employer where relevant.

- For many actuaries their CPD programme should be integrated with their development programme agreed with their employer.

- At least some CPD should involve interaction with other actuaries, and in particular actuaries from organisations other than the actuary's own firm.

- The actuary should ensure compliance with any CPD requirements set by their association or by the actuarial association in any other jurisdiction in respect of which the actuary does actuarial work.

5. How is CPD gained?

CPD can be achieved in a number of different ways.

These include:

- Participation in local or national actuarial meetings, seminars, colloquia and workshops;
- Participation in international actuarial congresses, seminars, colloquia and workshops, including events organised by the Groupe Consultatif and by the International Actuarial Association (IAA) and its sections;
- Participation in educational or training courses;
- Participation in summer schools or similar events;
- Participation in events run by other related professions, e.g. lawyers or accountants;
- Participation in relevant commercial conferences or seminars or events organised by international bodies;
- Participation in conferences, courses, seminars and discussion groups organised by actuarial employers;
- Participation in webcasts, web-based seminars or video link seminars;
- Participation in research, either as an individual or as part of a group;
- Participation in technical committees, working parties and task forces under the auspices of a national actuarial association;
- Participation in technical committees, working parties and task forces at an international level;
- Teaching or mentoring other actuaries and/or actuarial students;
- Setting or marking actuarial examinations;
- Studying for a further qualification, including membership of other professional bodies;
- Studying a topic and writing a report or making a presentation to impart the acquired knowledge to colleagues, clients or to a wider audience;

- Studying courses or educational programmes on-line;
- Working with different actuarial topics in different environments;
- Expanding one's skill-set through undertaking new challenges or working on novel assignments;
- Writing papers and books;
- Private reading of relevant journals and books;
- Participation in internet discussion groups on actuarial topics.

Part II : CPD and the National Association

6. How much CPD?

The public expects actuarial professional bodies to encourage their members to keep up-to-date and relevant through CPD requirements.

What are the responsibilities of a national association of actuaries with regard to CPD? It is in the public interest that associations should set CPD requirements for their members and ensure compliance with any such requirements. Actuarial associations have a responsibility to promote the concept of life-long learning and the development of knowledge by their members. They should also provide a service to their members to ensure that adequate CPD opportunities are made available.

The amount of CPD that an actuary does is a personal decision. However, associations should encourage their members to undertake CPD and make clear to their members how important it is that they remain competent and current in their professional knowledge and skills.

Associations should specify the minimum annual amount of CPD which their members should aim to achieve and may make stipulations as to the form that CPD should take. It is recommended that the minimum amount of formal CPD should be no less than 15 hours a year on average.

In some countries the regulators may lay down requirements for CPD and the actuarial association should take this into account in setting professional requirements for CPD.

Associations should encourage members to undertake a variety of CPD activities and not only technical CPD. CPD should include a component relating to professionalism.

Associations should be proactive in making CPD opportunities available to their members and should consider setting down recommended or mandatory requirements for members regarding their participation in CPD.

When considering the amount of CPD undertaken, it is up to each individual to judge the relevant CPD hours to be counted for a particular activity and how relevant it is in relation to his/her CPD objectives. As a result the same event may be counted differently by different people.

Associations may wish to differentiate between formal or verifiable CPD and informal or self-assessed CPD. Formal or verifiable CPD is where the input may be independently measured or objectively demonstrated, e.g. attendance at an event, passing a test, completion of an assignment or on-line study course, preparation of written material or presentations to others. Informal or self-assessed CPD is where the actuary undertakes private activities, e.g. reading or study courses without any external assessment or demonstration.

CPD involving active participation by the individual and which can be independently verified should be rated more highly than more passive forms of CPD and activities which cannot be independently verified. Events may be treated differently according to whether they are organised by the actuarial profession or some other body.

Associations should consider setting limits on the amount of CPD that can be counted for some types of CPD and requiring minimum amounts of CPD for other types, in order to ensure a balanced CPD requirement.

Associations should consider giving guidance to their members about what may count as CPD and providing or recommending events which will count for CPD.

Where a target annual amount of CPD is suggested, this target may be averaged over several years.

CPD requirements might be more specific and more onerous for actuaries who are undertaking statutory or formal roles.

7. Monitoring of CPD

It is good practice for each actuary undertaking CPD to maintain a personal record of their CPD activities.

- This record should consider the development undertaken and a reflection by the actuary on the learning that has taken place, with indications of future learning opportunities or commitments and development activities, rather than simply a number of hours of CPD undertaken.

- Once an association has agreed its CPD strategy the association should monitor CPD records of actuary members.

- Monitoring of CPD records might be on a sample basis, e.g. a random sample or only in respect of those actuaries performing statutory or reserved roles.

- Monitoring of CPD records should be carried out for actuaries requiring practising certificates, where they exist, both when they first apply for such a certificate and for subsequent renewals. Monitoring should be more active for those fulfilling statutory roles, even if practising certificates are not required.

- Failure to undertake appropriate CPD and to meet any CPD requirements set by their association should lead to the withdrawal or non-renewal of a practising certificate and should be considered as evidence of possible professional misconduct.

- Associations should consider introducing centralised reporting of CPD, e.g. through a members only section of the association's web-site.

8. Provision of CPD activities

Each association should assist individuals to obtain CPD through the provision of a programme of CPD activities. Examples of possible CPD activities are shown in Section 5.

Associations should facilitate access for members to information about events organised by others which could provide relevant CPD, including Groupe Consultatif Colloquia and Summer Schools, International Congresses of Actuaries and Colloquia organised by the Sections of the IAA.

9. Current position on CPD

A survey of member associations of the Groupe Consultatif was undertaken in 2002 and the position on CPD at that time showed that 6 associations had a requirement for CPD, 11 associations were planning a requirement for the future and 6 associations had no plans to introduce a requirement for CPD. In the survey carried out at the end of 2007, 9 associations reported that they had introduced a requirement for their members to undertake CPD. Several associations have suggested that they have particular expertise within their membership for delivery of CPD offerings.

Part III : CPD and the Groupe Consultatif

10. Role of the Groupe Consultatif

The Groupe Consultatif Education Committee has a number of roles with respect to CPD.

(i) The CPD strategy of the Groupe Consultatif contains advice for associations and offers recommendations for practice but does not set any mandatory requirements.

(ii) The Groupe Consultatif recommends that member associations should required qualified actuaries to undertake on average at least 15 hours of CPD each year.

(iii) The Groupe Consultatif Education Committee recognises the different situations that pertain in different countries and the legislative and other constraints that exist for some associations with regard to implementing any mandatory CPD requirements, but nevertheless expects to recommend a mandatory requirement for CPD within a few years.

(iv) The Committee encourages each association to formulate its own CPD strategy.

(v) Members of the Education Committee whose associations have a CPD policy can provide guidance to any association wishing to develop a CPD policy.

(vi) The Education Committee of the Groupe Consultatif encourages and facilitates the provision of suitable European CPD activities.

(vii) The Education Committee maintains a database on CPD activity within Europe.

(viii) The Education Committee identifies key important topics for CPD activity in conjunction with practice areas.

(ix) The core syllabus developed through the Education Committee provides a starting point for each association in planning technical CPD activities. Any topics not covered before qualification should be considered as potential subjects for CPD.

11. Provision of CPD activities

(i) Groupe Consultatif Colloquia

The Groupe Consultatif has organised colloquia since 1982. These are significant CPD opportunities at an international level. A complete listing, and links to many of the presentations made at recent colloquia, can be found on the Groupe website.

(ii) Groupe Consultatif Summer Schools

Associations have from time to time organised summer schools, in association with the Groupe. These are more structured learning programmes for people interested in developing their knowledge on a particular topic. A complete listing, and links to many of the presentations made at recent summer schools, can be found on the Groupe website.

(iii) Events organised by the International Actuarial Association

The International Congress of Actuaries (ICA) takes place every four years. The following Sections of the IAA organise colloquia in other years:

- ASTIN – non-life insurance
- AFIR – investment and financial risk
- PBSS – pensions, benefits and social security
- LIFE – life insurance

- IAAHS – health and care; and
- IACA – actuarial consulting practice

(iv) Events for younger actuaries

Many companies have a policy that only senior actuaries are supported to travel to international events. It is important therefore that national associations arrange events for younger people in their own country, for example based around the themes of the Groupe's annual Colloquium or Summer School.

(v) Events offered in different countries

An event offered initially in one country could be replicated in different countries based on notes, presentations and materials from the first event. Webcasts and downloadable recordings provide the means to give events a wider international audience.

(vi) Participation in events of other associations

Details of events run by individual associations should be disseminated to members of other associations. This could take the form of a web-based database. In particular events can be relevant to people in an association geographically nearby. Some interchange of ideas already takes place regionally, e.g. Scandinavia, German-speaking countries, the Swiss Summer School and seminars organised by the European Actuarial Academy (EAA).

(vii) Structured learning opportunities

Examples of structured learning opportunities which could be used by other associations are already available, e.g. the UK Actuarial Profession have participants' and speakers' notes for their one-day and two-day professionalism courses and their professionalism events for experienced actuaries. They also have packaged learning courses for all subjects in their qualification examinations and Certificates of Attainment are given to actuaries who pass the relevant examinations associated with these learning opportunities. Het Actuarieel Genootschap runs events on topics such as Fair Value Accounting, Deflators, Price of Risks, where actuaries are required to do preparation between meetings.

(viii) Reading materials

The journals of research work published by several associations, e.g. ASTIN Bulletin, Scandinavian Actuarial Journal and Annals of Actuarial Science, provide a useful source of informal CPD for actuaries. The proposed development of textbooks on European practice, e.g. Pensions and Health Care Financing, would be useful in this respect.

(ix) Electronic learning

Several associations use their Websites to disseminate learning materials, particularly from conferences, colloquia and seminars. This may often be in the form of presentations given at recent events. This material can be helpful for other associations planning their own events. A further stage would be the development of electronic learning material which, when accompanied by a discussion forum, monitored by a leader, can be an effective learning tool. The Groupe could facilitate access to useful papers and materials by publishing them on the Groupe website or by providing links from the Groupe website to other websites where they can be found.

Papers presented at actuarial association meetings and recordings of live presentations and discussions should be made available on the association's website so that they can be accessed by a wider audience, both nationally and internationally.

12. Key Themes

The Groupe Consultatif's Education Committee will identify key themes and topics for European CPD. This could be done in two ways:

(i) Firstly Education Committee members will identify topics within their national associations across all practice areas

(ii) Secondly other committees of the Groupe Consultatif should provide ideas for CPD topics in their practice area. This might be done at the committee meetings held during the Annual Meeting each year.

This double approach should identify topics of current importance within a European context. Some topics of importance to particular associations will have arisen because of particular circumstances within the association, so may not be more widely applicable. Topics of more general interest that have been identified recently include:

- Fair value accounting
- Solvency II
- Future improvements in mortality
- Healthcare financing
- Catastrophe insurance
- Risk classification
- Asset liability modelling
- Accounting for pension costs
- Enterprise risk management

13. Overall picture of CPD in the Groupe Consultatif

The Groupe Consultatif Education Committee will regularly update the picture of CPD in the Groupe and in national associations. Members of the Education Committee are willing to share their experiences of CPD in their associations with other associations who have identified aspects they wish to consider.

Education Committee of the Groupe Consultatif
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