ACTUARIAL ASSOCIATION OF EUROPE

CPD Guidelines

Proposal from the MRA Review Task Force to be discussed in the 2021 Spring Meetings

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Due process

- The CPD Review Task Force was created in December 2018 in order to review the current AAE CPD Strategy and formulate proposals for further development of that strategy and was working during 2019 and the beginning of 2020. The Task Force made presentations on advance of the report to both the EduC and the ProfC during the Spring meetings in Sofia (2019), to a joint meeting and to the GA during the meetings in Vienna (2019) and, again, to a virtual joint meeting of both Committees (2 April 2020)
- The EduC and ProfC approved and supported the findings and recommendations of the Task Force during the 2020 Spring meetings and the AAE Board (27 April) defined that CPD requirements should be incorporated when reworking the MRA

Due process

- At the beginning of February 2021, the AAE Board established a small Task Force (a sub-group of the former CPD task force) to translate the CPD report into CPD Guidelines. Rafael Moreno, Malcolm Campbell and Christophe Heck, all of them members of both the CPD Review Task Force and the MRA Review Task Force, drafted the CPD Guidelines and presented them to the MRA Review Task Force before its meeting on 25 March
- During this meeting it was decided to include the proposed CPD guidelines, together with a cover note, in the agendas for the EduC and the ProfC in the Spring Meetings (16-17 April)

Aims of CPD

- In summary, the aims of CPD are:
  - Maintaining actuaries “fit & proper” over time in the areas in which they practice to provide relevant and high quality actuarial services and advice
  - Supporting and protecting reputation and recognition of the profession
  - Supporting actuaries to take on new roles and to move to different areas of practice, including also new ones arising from expansion of the profession.
- CPD is a key element to support actuaries’ lifelong employability

Principles of CPD

- Staying fit & proper and being long-life employable: Fully Qualified Actuaries need to professionally develop themselves to stay fit & proper at all times especially in their practicing area

Principles of CPD

- Evidence based, in order to be able to demonstrate its application and to be monitored.

  Evidence should ensure that the system in place:

  - It is credible
  - It is efficient with regards to costs and benefits of getting the evidence
  - it avoids discrimination to actuaries which may need to demonstrate their CPD to another MA or to the supervisor of a different country

Principles of CPD

- Assessment: CPD needs to be assessed in an appropriate way.
  Both content and format need to be considered.
  Individual actuaries are responsible for the content of their own CPD program or plan, however an MA should encourage actuaries to actively discuss their CPD with peers and other actuaries.
  MAs will need to be able to check evidence of CPD (documentation) when it is required, and also should make regular checks that the CPD requirements have been followed (at least on random basis).
  Association's responsibility regarding members' CPD ends with that checking.

Principles of CPD

- Flexibility and proportionality
  - The CPD Scheme needs to be flexible in a range of features
  - CPD requirement needs to be proportional in terms of every national market and MA's resources, so it does not introduce disproportionate disruption for the actuaries complying with it and also for MA in implementing the CPD system

Minimum requirements for a CPD Scheme for MA of AAE

1. Applicability: it is mandatory for all members that are deemed to be Fully Qualified Actuaries (FQAs). However non compliance can be allowed for reasonable reasons
2. Content: it requires members to analyse their need for competence development, consider a plan for CPD and execute that plan
3. Documentation: it requires members to document at a minimum
   - Analysis of key competences that the member perceives requiring further development
   - The plan for CPD activities
   - Record of specific CPD activities carried out
   - Record of time spent on CPD activities
   - Analysis of the extent to which key competences have been developed

Minimum requirements for a CPD Scheme for MA of AAE

4. Assessment: it requires members to
   - Self Assess the outcomes from the CPD activities in the context of the plan and preferably have their CPD activities and the outcomes reviewed by a third party; and
   - Either complete a specified minimum number of hours of CPD activity (at least 60 hours over a three year period) or complete the number of hours needed to acquire the key competences that the member identified in the plan
5. Monitoring: it includes a process to be able to monitor members adherence to the CPD scheme

Questions

Thank you very much

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