



**Education Committee**  
**25 May 2021 – 07:00–08:00**  
**Q2 Virtual Meeting Part 2**  
**Minutes**

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

**1. Introduction and welcome to the new members of the committee.**

The chairperson, Bozena Hinton, welcomed all the participants to the meeting and introduced the new members.

**2. Approval of the minutes of the virtual meeting part 1 held on May 4, 2021.**

The minutes were approved as presented.

**Action item:** Secretariat to post final version to the website. (Done)

**3. Recap on the Education Syllabus Discussion**

Bozena mentioned that during the previous meeting committee members voiced their feedback and suggested reaching an agreement on what is the core part of the syllabus versus what is non-core. She asked Henning Wergen to explain his proposal to achieve this objective.

Following the discussion of splitting of the syllabus into core and non-core areas, Henning mentioned that the group designing and implementing the current syllabus had a brief discussion in which they agreed that the distinction between core and non-core could be made at the learning area level; for instance, Data and Systems, Actuarial Models, Actuarial Risk Management, Personal and Actuarial Professional Practice could be included in the core part and areas such as Economics, Assets and Financial Systems could be among the non-core and associations could substitute them by other elements.

Also taking the example of the Finance Learning Area, he explained that the core v/s non-core distinction can be made one level deeper where it could be argued that Financial Mathematics is core, whereas Financial Reporting and Taxation, Securities and other Forms of Corporate Finance, and Corporate Finance could be considered non-core.

At the time, the discussion did not evolve any further and he proposed forming a small group of Committee members to assess if the syllabus could be split into core/non-core, and to look at the long to medium term assessment of the education.

Clifford Friend suggested to conclude the discussion about the purpose of the syllabus and how to measure compliance. He added that if the IAA is setting an international standard this would be a high-risk entity as it will require the appropriate audit of the member associations.

Given that the IAA's leadership decided that setting an international standard is not the purpose of the syllabus he recognized two possible roles for the syllabus: sharing a good practice and the use of the syllabus for membership compliance. If the syllabus is used to share good practice among member associations this requires no assurances, committee members can assist one another and be mentors to those who want to build their education proposition, but it would not require that member associations comply with the syllabus. Regarding the option of using it as a membership requirement, the IFoA would not be supportive on embarking on a massive compliance process simply to support membership criteria. He indicated that many associations are responding to the rapid changes to the market and are likely to diverge from the slow evolving IAA syllabus so they can have an innovative offering.

Bozena mentioned that the Strategic Planning Committee has brought up the education topic several times and SPC members would like to have ongoing compliance with the education syllabus as a mandatory requirement, which is contrary to what Council decided back in 2017, but she is uncertain if this is the view of SPC only or if it is the view of all IAA members. She added that the Education Committee will move forward assuming that Council shares the SPC views of making the Education syllabus an ongoing membership requirement. The implication of this would be that associations not meeting the membership criteria would be demoted to associate membership. She highlighted that this is the SPC direction, not Council's, and clarified that the SPC does not intend to have a comprehensive CERA style of review. The SPC proposal is that there should be an education standard, and the Education Committee should indicate what this standard is.

She noted that SPC tried to address the assessment issue by proposing the self-assessment spreadsheet developed by the CIA, but many associations have found it hard to complete and did not submitted it, indicating that the spreadsheet does not solve the issue moving forward. Louis and Lan have reviewed the information submitted by three associations and they found wide variations.

Christian Buchta mentioned that the Education Committee could ask Council to indicate whether the syllabus is considered a membership requirement so they can carry out their work. He mentioned that, to an outsider of the IAA, it is difficult to understand what is compulsory and what is not compulsory on the current syllabus.

Roseanne Harris expressed her appreciation for the views expressed and agreed that Council should decide how the syllabus impacts the membership status of an FMA, but at the same time she indicated that Council depends on Education Committee expertise to recommend a process for implementation. She agreed with Henning's proposal of making a Core/NonCore recommendation, taking into consideration what is feasible as a way forward. She also expressed her support of Malcolm Campbell's suggestion of coming up with a core framework. She added that a core syllabus is not a minimum, that every association should cover the totality of the core plus other elements of relevance for the association, they would not cover only what is included on the core. She also agreed that Council relies on this Committee's expertise for implementation.

Louis Doiron mentioned that the CIA is aligned with the SPC view in that a minimum education requirement should be in place, because what makes a great actuarial profession is the strength of its education system internationally. He agreed that this is a Council decision, and that the role of this Committee is to ensure that members comply with the minimum standard required.

Yvonne Lynch, in agreement with Roseanne's views, indicated that she understands that the SPC wants to have a minimum requirement and that it needs the guidance and direction of the Education Committee to achieve that objective. She added it is within the Education Committee's purview to provide feedback on how a minimum or a core syllabus would work so Council can make an informed decision on whether the IAA should have a minimum syllabus or not. She expressed her support for the core syllabus idea as this addresses Clifford's point that many associations are moving ahead rapidly to adapt to change and to innovate. She encouraged the Committee to present an approach that reconciles both objectives.

Following Roseanne's views, Clifford emphasized that the Committee will not be setting an international standard but a minimum standard for membership of the IAA.

Roseanne indicated that an *international standard* and a *minimum requirement* are two different things and should be treated differently. She mentioned that the IAA has an aspirational syllabus as opposed to a minimum standard and it is uncertain what we are applying. Her suggestion is that the Education Committee sets up a core syllabus which would allow the IAA to have a more inclusive membership by encouraging associations to share best practices on the aspirational part of the syllabus that will not be the lowest common denominator. She mentioned that the core would be the lowest common denominator, and there is a lot of work to do in terms of defining what that core is and how it works. Her personal suggestion would be to set the core and ask associations that they cover that core on its totality adding to it any other elements of relevance to them. As an example, she mentioned that the core could make up 50% of the educational content of an association and the other 50% should be formed of the extra elements the association includes on its education system. The minimum standard would then be core plus other components. This would recognize what is relevant in different jurisdictions while applying a minimum requirement and flexibility.

Conrad Backeberg emphasized the relevance of supporting innovation around the globe, which would be achieved with the example presented by Roseanne. He would be happy to see the core as part of a minimum that required other elements around, thus allowing flexibility and innovation.

Following Yas Fujii's question to clarify the idea of Core v/s non-core, Bozena answered that this was a topic raised during the last meeting and had a lot of support from the committee. She suggested that he reviews the previous meeting minutes as the information is included there, but basically it consists of finding elements on the syllabus that the committee agrees all actuaries should know. Yas expressed his interest on the topic and indicated that he would be supportive of the idea.

Louis indicated that since SPC asked the Education Committee to make a recommendation on a minimum standard, the Education Committee can define what that this is and how it can be applied.

Bozena specified that a minimum education standard for the IAA would be used for membership applications and ongoing membership, as opposed to applying a higher-level standard. This

minimum could be defined as a core and the Committee will have to indicate what that core means and what it includes. The core could be formed of 50% to 80% of the current syllabus and the member association would decide what elements to add for the 50% to 20% missing, to make up to the same 100%. The Committee will also have to indicate the number of study hours, or any other relevant parameter, required to meet the core. She added that as a working hypothesis the committee will work on the basis that if an association does not meet the criteria, then the association would be demoted to associate member, but this would have to be agreed by Council.

**Core v/s non-core :**

Committee members provided the following feedback regarding a recommendation for the level of assessment and the level of enforcement of core / non-core:

Jari Niittuinperä recognized that the syllabus includes many topics and suggests asking committee members to rank each topic according to their importance so a common ground could be established. This would be an easy way to compare the results for each topic.

Clifford mentioned that as the intent is using the syllabus for membership criteria the position of the IFoA would be to have a light touch assessment. He further suggested having a system in place to assess how associations meet that requirement.

Roseanne agreed with having a consequence for not complying with the core, as this will give meaning to the work of the Committee and it will help the group to define the core. In terms of process, she would agree to have a staged approach, emphasizing collaboration rather than strong independent reviews, but she also agreed that a more rigorous assessment is required when a problem is highlighted. She added that an escalation agreement would be better than an all or nothing approach and agreed with Clifford's statement of having a lighter touch, with escalation whenever required.

Louis mentioned that after reviewing some education questionnaires lately, he found that self assessments are not working. He added that the worksheet is a good tool, but it requires some instruction on how to use it to ensure it is effective. It is his view that assessments should be rigorous because otherwise there is no point in having a standard.

Henning supported Roseanne's summary and added that the Committee will be looking at the syllabus for IAA *continued membership requirements*, not for providing a qualification that in some cases could lead to mutual recognition and would require a stronger assessment.

Lan Wu noted that education system reviews are relevant when the association is not a derivative one. She added that the self assessment may be the first step of the review process where the association provides an overview of their education system and other steps should follow depending on the information provided on the self assessment. She also emphasized the importance of recognizing that associations are different, and that the Committee should acknowledge that not only their education system differ, but the resources they have available will also affect how nimble they are at maintaining and updating their information.

Christian Furrer also expressed his agreement with Henning and emphasized the importance that the assessment considers the diversity of the education program. Some programs are university based and others are mixed which require a good relationship between the association and the possible education partners, such as universities. Associations will need a flexible approach that

does not interfere with the autonomy of the educational partner. The Danish position supports light touch assessment presenting a flexible approach aligned with the core non-core split of the syllabus.

John Lowell expressed his support for the direction of the discussion but cautioned against being too heavily core in nature because not all member associations are the same. He acknowledged that the profession is changing rapidly and by the time the IAA implements the newest ideas and developments these are sometimes short of being obsolete. He also mentioned that in the profession in the US needs to adopt government requirements that are not close to the syllabus, therefore he recommends that core elements should be core to the needs of the profession as opposed to the interesting topics of the moment.

Louis Doiron agreed with the view that a core should be a permanent element and would not be in favour of a light touch assessment. To address the diversity issue he wondered if considering additional layers of membership would help recognize this diversity. Regarding the material on the syllabus, he feels that mathematical background is a big part of the education systems in many countries. It could be assumed that actuaries are strong mathematicians, strong statisticians, and strong computer scientists and these elements are not necessarily required within the syllabus.

The chairperson thanked participants and recognized that there are two areas for progress, one is a definition of core v/s non-core, how much should be specified in terms of percentage, and the second is what is required as a next step in terms of assessment. She asked for volunteers to work on two separate groups, the first will look at the core and the second will look at putting a strawman for assessment so the committee can discuss in the next meeting.

Lan Wu, John Lowell, and Louis Doiron presented their interest to volunteer on the group.

## **Attendance List**

**Chairperson:** Bozena Hinton, Actuaries Institute Australia

### **Co-Vice-Chairpersons:**

Henning Wergen, Deutsche Aktuarvereinigung e. V. (DAV)

Lan Wu, China Association of Actuaries

### **Members:**

Yair Babad, Israel Association of Actuaries

Conrad Backeberg, Actuarial Society of South Africa

Mercè Claramunt Bielsa, Col·legi d'Actuaris de Catalunya

Christian Buchta, Aktuarvereinigung Österreichs (AVÖ)

Jean-Claude de Pooter, Institut des Actuairens en Belgique

Louis Doiron, Canadian Institute of Actuaries

Yas Fujii, Japanese Society of Certified Pension Actuaries

Yosuke Fujisawa, Institute of Actuaries of Japan

Christian Furrer, Den Danske Aktuarforening

Sevtap Kestel, Actuarial Society of Turkey

Olivier Lopez, Institut des Actuairens

John Lowell, Conference of Consulting Actuaries

Yvonne Lynch, Society of Actuaries in Ireland

Jari Niittuimperä, Suomen Aktuaariyhdistys

Gerold Studer, Association Suisse des Actuairens

Majon Tjia, Het Koninklijk Actuarieel Genootschap

Péter Vékas, Magyar Aktuárius Társaság

Daniel YE, Actuarial Institute of Chinese Taipei

### **EC Liaison**

Roseanne Harris

### **IAA Secretariat:**

Karla Zúñiga-Cortés, Administrator, Communications and Membership

### **Guests:**

Clifford Friend, Institute and Faculty of Actuaries

Michael Callan, Actuaries Institute Australia

Ken Guthrie, Society of Actuaries

Alicia Rollo, Canadian Institute of Actuaries

Michel Simard, CIA

### **Apologies:**

Jeremy Brown, Society of Actuaries

Reinier van Rooyen, Actuaries Institute Australia

Wes Griffiths, Casualty Actuarial Society

Patrick Kakunze, Den Norske Aktuarforening

Joe Smith, Institute and Faculty of Actuaries