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HOW SHOULD THE SOA REACT TO THE CIA'S UNIVERSITY ACCREDITATION PROGRAM? A U.S. ACADEMIC'S PERSONAL VIEW

BY JAMES E. TRIMBLE

The Canadian Institute of Actuaries (CIA) board approved a University Accreditation Program (UAP) in March 2011. Rob Stapleford wrote an excellent article describing the UAP and the work that went into the development of the program that was published in the August/September 2012 issue of *The Actuary*. In that article, Rob states that, "Beginning in September 2012, accredited universities will be able to offer courses which will provide students with the option of applying to the CIA to gain exemptions from writing the examinations." The preliminary examinations for which exemptions may be granted are FM, MFE, MLC and C. Ten Canadian universities have been accredited by the CIA.

Rob also wrote, "Many participants in the accreditation process identified that some form of recognition from our education partners is a key step in the long-term success of the UAP. Therefore, gaining recognition and acceptance from the SOA/CAS of CIA exemptions is a top priority for the CIA."

I am writing this article to express my opinion that the SOA board should recognize the waivers that the CIA grants for credit for preliminary examinations to students under their UAP, provided that the SOA has an active role in the oversight of the accreditation program. Given the SOA's decades-long experience delivering education in a variety of ways, I believe that the CIA would welcome the SOA's participation.

The SOA's 2013–2016 Strategic Plan lays out a path to foster membership growth globally, enhancing the value of our credentials individually and collectively. To realize this

plan, the SOA must recognize national differences, and it should be open to alternative educational methods employed in different countries, provided they do not diminish the value of the SOA credentials. Indeed, the SOA already recognizes this by granting waivers for SOA examinations for credits granted by the U.K. and Australian actuarial organizations, including those credits that were acquired through accredited university programs.

The CIA appears to be implementing a robust system of oversight, similar to the U.K. and Australian processes. The Canadian UAP program only grants credits to top-performing students in accredited actuarial programs in major Canadian universities. Rob's article states that, "The AC (accreditation committee) concluded that the expected number of students who will receive exemptions will likely be less than the proportion of students who pass the traditional examinations." Some readers may be skeptical of that claim. My experience as a university professor over the last three years leaves me with little doubt that it is accurate. Over the three years that I have taught financial mathematics, 100 percent of the students who achieved an A or A- in my class passed exam FM shortly after finishing the course. Naturally, some students who earned a lower grade also passed the actuarial exam. So, hypothetically if the bar for exam waivers were set at a grade of A- or better in my class, the evidence strongly suggests that the percentage of students achieving the waiver would be less than the percentage of students who would pass the exam. Further, my evidence also suggests that the students granted the waiver would be deserving of the waiver.

I have discussed these results with faculty teaching actuarial courses at several other universities, including the University of Manitoba, Penn State University and the University of Waterloo, to name just a few. All reported similar results for their courses. The CIA applied just this sort of analysis in order to set minimum exemption grades for each course in each university. Therefore, the risk of devaluing the SOA credential through recognition of CIA credits is extremely low. Were the SOA board to adopt my proposal, this risk would be monitored and controlled through SOA participation in monitoring of the accredited university programs.

U.S. and Canadian actuaries have had a special relationship through the SOA for a long time. If the SOA chooses not to work with the CIA with respect to the Canadian UAP, then it risks damaging that special long-term relationship and losing future Canadian members and volunteers over the long run. That would be a most unfortunate outcome, especially in light of the SOA's strategic plan to become a more global organization. Moreover, the risk of that outcome far outweighs any risk the SOA would take by recognizing credits the CIA grants to students in accredited universities through its UAP. I urge the board to give serious consideration to working with the CIA in this important educational development. ■

DISCLAIMER: The views expressed in this article are those of the author alone. They do not necessarily represent the views of the Society of Actuaries..

James E. Trimble, FSA, CERA, MAAA, is director, Actuarial Science Program, University of Connecticut. He can be contacted at james.trimble@uconn.edu.