

Employer Survey: Actuarial Study Program and FAP Feedback

**Survey Results
Society of Actuaries
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Employer Survey: Actuarial Study Program and FAP Feedback

Executive Summary

As part of the Society of Actuaries' (SOA) Education Redesign, the first of eight e-Learning modules of the Fundamentals of Actuarial Practice (FAP) course was rolled out to candidates February 2006. The release of subsequent modules was phased between March 2006 and January 2007. FAP Exam 1 (covering modules 1-5) was administered for the first time in August 2006 with three additional administrations completed in 2007. The last component of the course, the Final Assessment, was released in March 2007. The Final Assessment is a graded exercise that each candidate must complete under controlled conditions and is available to candidates on demand.

Evaluation is an important element in our program to continuously improve the course. Since the initial rollout, the SOA has formally collected course feedback from candidates. With the course fully implemented, the SOA administered the Actuarial Study Program and FAP Feedback Survey on July 10, 2007 to gather information from employers (256 individuals) directly involved with FAP study programs and candidates.

The survey was designed to:

- Gather information regarding FAP study program and salary increase practices.
- Assess employer perceptions of FAP.
- Compare employer reactions to FAP candidate reactions.
- Obtain feedback and input to improve FAP and the other e-Learning elements of the SOA Education and Examination system.

The survey response rate was 26 percent. Although the responding group is not necessarily representative of the target audience and caution must be taken in interpreting results, the SOA has prepared this report to provide useful information, including candidate assessments, to assist stakeholders in their decision-making.

Key Findings

- The most common study program structure involves setting a specific numbers of *hours* for each of the two key course parts—Modules 1-5 plus FAP Exam 1 (100-125 hours), Modules 6-8 plus the Final Assessment (60-120) hours.
- The majority of respondents award salary increases between \$2,000 and \$2,500 for Modules 1-5 plus FAP Exam 1 and Modules 6-8 plus Final Assessment, respectively.
- Candidates rate overall quality of FAP quite positively, and more positively than do employers. Positive aspects cited by both groups refer to the flexibility and on-demand nature of e-Learning and the additional educational value available using the e-Learning approach.
- Candidates and employers indicate that candidates have improved and/or acquired new skills in the areas of understanding foundational principles, written communication and reporting, problem solving, applying the Control Cycle, modeling and analysis and recognizing the “big picture.”
- Employer assessments of time typically required to complete a module are consistent with candidate self-reports and range between 41 and 50 hours over a three to four-week period.

- The majority of employers and candidates generally agree that for the most part, FAP is meeting three of the four stated goals of the Education Redesign—providing better education for actuaries (for the most part), reducing travel time (very much so) and contributing positively to the ASA’s relevance in the marketplace (for the most part).
- Although the majority of survey respondents perceive that the Education Redesign goal of preserving the value of the ASA credential (the fourth goal) is being met for the most part, a substantial number of respondents strongly indicate that this goal is not being met. Concerns focus on the perception that the graded FAP requirements do not match the rigor of traditional examinations.
- Suggestions for improvement include increasing the rigor of course components, correcting minor content errors and improving the content by increasing relevance and reducing redundancies.

Conclusions and Implications

FAP represents a significant change to the SOA’s Education and Examination system—a change that is generally perceived positively by key stakeholders including the Board of Governors, the Education and Examination Executive Group, employers and candidates.

The change requires commitment to ongoing evaluation and continuous improvement. Using feedback and input from stakeholders, including the results and findings of the Actuarial Study Program and FAP Feedback Survey, FAP is currently under review. While maintaining the overall design and the use of the Control Cycle as the framework for the course, the FAP committees and SOA staff are enhancing instructional design techniques, content development processes and administrative processes to improve the candidates’ educational experience, in order to ensure a sustainable system and to preserve the value of the ASA credential.

The FAP Employer Feedback Survey has indicated that a substantial number of respondents strongly perceive that FAP is not preserving the value of the ASA credential. The anecdotal evidence provided centers around the pass rates and perceived lack of rigorous testing under FAP Exam 1.

The two-hour, multiple-choice exam format is recognized as a weakness in the FAP design by the SOA Education Redesign team. The originally planned two-hour, multiple-choice FAP Exam 2 (Modules 6-8) was replaced by the Final Assessment. This change is perceived as a substantial improvement to the FAP course design. FAP Exam 1 may be replaced by a similar Assessment in the near future. The SOA Education Redesign team expects that the assessments will improve both the education and examination rigor of FAP.

Details regarding changes to FAP in 2007 and 2008 will be communicated to the membership and candidates later this year via the SOA Web site and FAP News.

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Employer Survey: Actuarial Study Program and FAP Feedback

Background

Fundamentals of Actuarial Practice (FAP) is an ASA-level e-Learning course framed within the context of the Control Cycle (define the problem, design the solution, monitor the results). FAP consists of eight modules completed in sequence. The course demonstrates actuarial fundamentals through the use of practical examples reflecting traditional and non-traditional areas of practice. Each module includes online and offline readings, embedded activities and case studies, an end-of-module test and an end-of-module exercise. Although the focus of the course is on education and not examination, in addition to the eight modules, course requirements include FAP Exam 1 (2-hour multiple choice, Modules 1-5) and a Final Assessment (graded, performance-based exercise completed under controlled conditions, Modules 6-8).

The first module was released in February 2006 and the last course component, the Final Assessment, was released in March 2007. As of August 31, 2007, 5,315 candidates have registered for the course; 1,758 have completed all of the modules. FAP Exam 1 has been administered four times (August 2006: 796 candidates, 90.2 percent passing; February 2006: 990 candidates, 86.1 percent passing; June 2006: 466 candidates, 80.5 percent passing; August 2006: 496 candidates, 63.7 percent passing). The Final Assessment has been successfully completed by 1,183 candidates (86.2 percent pass rate).

Purpose

The Society of Actuaries (SOA) distributed the Actuarial Study Program and FAP Feedback Survey to employers on July 10, 2007. The survey is one component of the FAP program evaluation designed to effect course improvements and to assess candidate and employer reactions, learning gain, learning transfer, return on stakeholder expectations and return on the SOA's investment in e-Learning. The SOA administered the survey to:

- Assess employer perceptions of FAP.
- Gather information regarding FAP study program and salary increase practices.
- Compare employer reactions to FAP candidate reactions.
- Obtain feedback and input to improve FAP and the other e-Learning elements of the SOA Education and Examination system.

The survey target audience included 256 individuals (representing approximately 164 employers) who are directly involved with actuarial study programs.

Data Collection

The survey (see Appendix A) included 47 items and consisted of both quantitative and qualitative items. Survey participants:

- Completed demographic questions regarding their companies/organizations and employment of FSAs, ASAs and actuarial students.
- Provided information regarding their study programs and compensation for actuarial students.
- Rated and provided comments regarding various dimensions of the FAP course.

Survey respondents also provided comments regarding FAP, in general, and potential improvements to the course.

In addition to providing employer survey results, this report includes information collected from the FAP evaluation surveys completed by candidates at the end of each module and at the end of the course. We have specifically included results on survey items common to the employer and candidate surveys in order to compare assessments of the two groups.

Results

Survey Respondents

Sixty-seven survey recipients (26%) completed the survey. All but one respondent indicated that their companies have a formal study program for actuarial students. Eighty-one percent of the respondents indicated they personally coach/mentor actuarial students—64 percent coach/mentor current or recent FAP actuarial students. Of the 67 respondents, 65 (97%) indicated they are directly involved with setting study program policies.

Nearly four-fifths (79%) of respondents represent U.S. companies or organizations—12 percent represent U.S./Canadian companies and seven percent represent Canadian companies. The majority (69%) represents insurance organizations with 24 percent representing consulting organizations. Respondents' companies provide services in life insurance, health benefits systems, retirement systems, financial services, investment services, risk management, property and casualty insurance and/or regulatory services.

Nearly half (46%) of the survey respondents employ between one and ten ASAs and nearly half (48%) employ between one and 20 FSAs. The majority (72%) employs 50 or fewer actuarial students. The majority also indicates that between one and ten students have already completed FAP and that between one and ten students will complete FAP within the next year.

It is important to note that caution should be used in interpreting results as the responding group is not necessarily representative and the number of "I do not know" responses for several questions is considerable. Still, the results provide an interesting "snapshot" of the perceptions of the responding group.

See Appendix B for detail on survey respondent demographics.

Employer Study Programs

Policies for study programs vary widely. Several employers indicated that their study programs for FAP continue to evolve based on experience and planned changes to the course. Although all of the survey respondents indicate that their companies provide study time and books for FAP actuarial students, study program structures differ across companies and over one-half (57%) place guidelines or restrictions on when and how study time may be used. Appendix C includes a listing of respondents' comments regarding restrictions or guidelines. They generally include:

- Study time at work only.
- Study time is earned.
- Students must provide calendar in advance.
- Immediate supervisor must approve study time.
- Maximum number of hours/days per day/week.
- Encourage daily study spread over time.
- Study time is subject to successful completion of the regular workload.

Most (42%) structure FAP study programs by setting a specific numbers of *hours* for each of the two key course parts—Modules 1-5 plus FAP Exam 1, Modules 6-8 plus the Final Assessment. The ranges of study hours reported are:

- Modules 1-5 plus FAP Exam 1: 100 to 125 hours.
- Modules 6-8 plus Final Assessment: 60 to 120 hours.

Other structures include:

- Set number of *hours* for FAP in total (Modules 1-8, FAP Exam 1, Final Assessment) – 15%.
 - Hours reported range from 125 to 390.
- Set number of *hours* for each of four phases of FAP (Modules 1-5, Modules 6-8, FAP Exam 1, Final Assessment) – 14%.
 - Hours reported range from 50 to 100 hours for Modules 1-5; 30 to 90 hours for Modules 6-8; exam day time to 20 hours for FAP Exam 1; eight hours to 24 hours for Final Assessment.
- Set number of *days* for Modules 1-5 plus FAP Exam 1 along with a set number of days for Modules 6-8 plus the Final Assessment – 10%.
- Set number of *hours* per FAP module – 7%.
- Set number of *days* for each major phase of FAP (Modules 1-5, Modules 6-8, FAP Exam 1, Final Assessment) – 6%.
- Set number of *days* per module – 1%.
- Others (e.g., set number of hours per six months): 4%.

Compensation and Bonuses for Successful Completion of FAP

Although salary increases/bonus for actuarial students vary widely, as of March 31 or prior, 91 percent of the respondents' companies/organizations provided salary increases or bonuses for the completion of FAP elements. Of these, 82 percent award a set dollar amount (typically, salary increase) ranging from \$1,250 to \$5,000 (most between \$2,000 and \$2,500) for completing each of the following:

- Modules 1-5 and FAP Exam 1.
- Modules 6-8 and the Final Assessment.

One respondent noted *"We are trying to adjust our exam salary increases to be "fair" and "relevant" based on the amount of time the exam (or modules) take and the difficulty associated with such."*

Overall Quality of FAP

FAP candidates' ratings on overall course quality are positive. Positive comments relate to exposure to various areas of actuarial practice, application of the Control Cycle as a problem-solving approach, opportunities to practice, flexibility of e-Learning and the educational value of the approach. Over 80 percent of the candidates rate the quality as excellent or good, with an average rating of 4.01 on a scale from 1 to 5 where 1=Poor and 5=Excellent.

Employers rate the overall quality of the course less positively than do candidates—58.4 percent of the employers rate the quality as excellent or good, with an average rating of 3.38.

Table 1: In terms of preparing your actuarial students to do their current or future jobs better, how would you rate the overall quality of the FAP Course?

Rating	Candidates**		Employers	
	N	%	N	%
Excellent	237	25.3	2	4.2
Good	536	57.2	26	54.2
Fair	117	12.5	11	22.9
Marginal	32	3.4	6	12.5
Poor	15	1.6	3	6.3
Do not know	-	-	19***	-
Average*	4.01		3.38	

*Rating scale: Excellent=5, Good=4, Fair=3, Marginal=2, Poor=1

**Candidate Evaluation Surveys as of August 31, 2007

***Not included in average or percent distribution.

Comments to open-ended survey items are included in Appendices C through J. The most positive survey comment cited by an employer was *"I applaud the SOA for developing the FAP - I think the explicit focus on the actuarial control cycle is a useful part of candidate's education."* Other positive comments related to the advantages, flexibility and on-demand nature of e-Learning and the educational value of the approach. Conversely, two respondents simply commented, *"Eliminate it."*

Overall course quality is measured by additional items common to the employer and candidate surveys including ratings on the extent to which FAP:

- Meets individual learning needs.
- Reflects up-to-date content.
- Is appropriate to the candidates' levels of experience.
- Improves candidate skills.
- Assists in helping candidates acquire new skills that they will apply to their work assignments.

Candidate and employer ratings are generally positive. However, as for overall course quality, candidates consistently rate FAP more favorably than do the survey respondents. Tables 2 through 6 provide candidate and employer ratings on related survey questions (highest ratings percentages are highlighted in grey).

Table 2: In your assessment, does the FAP course meet the individual learning needs of your actuarial students?

Rating	Candidates**		Employers	
	N	%	N	%
Very much so	248	26.3	8	16.7
For the most part	513	54.5	22	45.8
Somewhat	141	15.0	12	25.0
Only slightly	34	3.6	3	6.3
Not at all	6	0.6	3	6.3
Do not know	-	-	19***	-
Average*	4.02		3.60	

*Rating scale: Very much so=5, For the most part=4, Somewhat=3, Only slightly=2, Not at all=1

**Candidate Evaluation Surveys as of August 31, 2007

***Not included in average or percent distribution.

Table 3: In your assessment, is the FAP content up-to-date regarding practices in business, industry and/or technology?

Rating	Candidates**		Employers	
	N	%	N	%
Very much so	292	31.1	7	15.9
For the most part	543	57.8	27	61.4
Somewhat	76	8.1	8	18.2
Only slightly	6	0.6	1	2.3
Not at all	1	0.1	1	2.3
Do not know	-	-	23***	
Average*	4.12		3.86	

*Rating scale: Very much so=5, For the most part=4, Somewhat=3, Only slightly=2, Not at all=1

**Candidate Evaluation Surveys as of August 31, 2007

***Not included in average or percent distribution.

Table 4: In your assessment, is the FAP content appropriate for the level of professional/business experience of your actuarial students?

Appropriate for Level of Experience	Candidates**		Employers	
	N	%	N	%
Very much so	268	28.4	3	6.1
For the most part	484	51.3	37	75.5
Somewhat	144	15.3	3	6.1
Only slightly	43	4.6	3	6.1
Not at all	3	0.3	3	6.1
Do not know	-	-	18	
Average*	4.02		3.69	

*Rating scale: Very much so=5, For the most part=4, Somewhat=3, Only slightly=2, Not at all=1

**Candidate Evaluation Surveys as of August 31, 2007

***Not included in average or percent distribution.

Three quarters (75.6%) of candidates indicate that as a result of FAP study they improved (very much so or for the most part) skills they already have. The majority (45.2%) of survey respondents indicate that FAP candidates have somewhat improved.

Table 5: In your assessment, have your FAP actuarial students improved any skills they already had?

Rating	Candidates**		Employers	
	N	%	N	%
Very much so	281	29.8	2	4.8
For the most part	432	45.8	10	23.8
Somewhat	169	17.9	19	45.2
Only slightly	46	4.9	7	16.7
Not at all	16	1.7	4	9.5
Do not know	-	-	25	
Average*	3.97		2.98***	

*Rating scale: Very much so=5, For the most part=4, Somewhat=3, Only slightly=2, Not at all=1

**Candidate Evaluation Surveys as of August 31, 2007

***Not included in average or percent distribution.

The majority (71.1%) of candidates indicate that they have for the most part or very much so acquired new job skills that they will apply to their current and/or anticipated work assignments.

The majority (43.9%) of survey respondents, however, indicate “somewhat” when asked the extent to which FAP candidates have acquired new skills.

Table 6: In your assessment, have your FAP actuarial students acquired any new job skills that they can apply to their current and/or anticipated work assignments?

Rating	Candidates**		Employers	
	N	%	N	%
Very much so	253	26.8	3	7.3
For the most part	418	44.3	9	22.0
Somewhat	197	20.9	18	43.9
Only slightly	68	7.2	8	19.5
Not at all	7	0.7	3	7.3
Do not know	-	-	26	
Average*	3.89		3.02***	

*Rating scale: Very much so=5, For the most part=4, Somewhat=3, Only slightly=2, Not at all=1

**Candidate Evaluation Surveys as of August 31, 2007

***Not included in average or percent distribution.

When asked to describe how FAP actuarial students’ skills have improved and to describe any new job skills their FAP actuarial students have acquired, employers most frequently mentioned written communication and reporting, problem solving, applying the Control Cycle, understanding foundational principles and the “big picture.” Other skill improvements cited included modeling and analysis.

Comments from employers are generally positive or neutral. Representative positive comments include:

- *“A better appreciation for the “big picture” has been acquired.”*
- *“Broader understanding of the industry and marketplace.”*
- *“Better appreciation/understanding of the whole range of skills needed/utilized on work assignments.”*
- *“Formal problem-solving mentality.”*
- *“Ability to approach problems ...has increased.”*
- *“Communicating results/information.”*
- *“Modeling and sensitivity testing concepts.”*
- *“Presentation skills, self-confidence, improving modeling skills.”*
- *“... spreadsheet analysis, industry knowledge (standards of practice).”*

A few respondents provided neutral comments—indicated that it is *“Too early to tell,” “Nothing specific...”*

Two negative comments provided by employers were:

- *“I think the process is too basic and not challenging our students.”*
- *“One student said the following – I have not acquired any new job skills with the FAP. What is most frustrating is that the FAP does not provide any feedback, so even if I did learn something I have no idea if I learned it correctly.”*

An item on the FAP Course Evaluation for candidates asks “What will you be doing differently as a result of your FAP learning?” Candidate comments are consistent with those received from survey participants. Most candidate comments received to date refer to:

- Applying the Control Cycle.
- Professionalism.

- Analyzing problems in a different manner.
- Increased awareness of the risks that client/company will face in the future.
- Better communication and documentation.
- Data reconciliation and validation.

Time to Complete

Each of the eight FAP modules was designed so that a typical candidate would spend approximately 40 hours to complete all the activities with the expectation that many candidates would maintain a pace of completing about one module per month.

Overall, candidate self-reports of time spent are greater than 40 hours for Modules 1 through 5. To date, candidates spend the most time on Module 2.

Table 7: Candidate Assessments of Time to Complete by Module

Module	Average	Candidate Assessments**									
		1-10 hours		11-20 hours		21-30 hours		31-40 hours		>40 hours	
		N	%	N	%	N	%	N	%	N	%
1	3.74	29	1.1	336	12.6	758	28.3	718	26.9	833	31.2
2	4.53	11	0.6	54	2.7	193	9.8	324	16.5	1383	70.4
3	4.20	11	0.7	77	4.6	318	19.0	430	25.7	838	50.1
4	4.15	8	0.6	68	4.9	251	18.0	438	31.5	626	45.0
5	4.10	7	0.5	80	5.9	272	20.2	399	29.6	588	43.7
6	3.59	15	1.3	174	15.4	326	28.8	366	32.3	251	22.2
7	3.60	14	1.6	107	12.2	270	30.9	303	34.7	180	20.6
8	2.94	52	6.3	252	30.7	278	33.9	174	21.2	65	7.9

**Candidate Evaluation Surveys as of August 31, 2007

The majority of employer survey respondents indicates that they perceive the typical module requires 41-50 hours over a three to four-week period. This is generally consistent with candidate self-reports.

Table 8: Employer Assessments of Time to Complete (Hours)

Hours Spent Per Module	Employer Assessments	
	N	%
1-10 hours	0	-
11-20 hours	0	-
21-30 hours	5	10.2
31-40 hours	10	20.4
41-50 hours	22	44.9
> 50 hours	12	24.5
Do not know	18***	-

***Not included in percent distribution.

Table 9: Employer Assessments of Time to Complete (Weeks)

Weeks/Months Spent Per Module	Employer Assessments	
	N	%
1-2 weeks	1	2.0
3-4 weeks	27	55.1
5-6 weeks	13	26.5
2 months	6	12.2
3 months	1	2.0
4 months	1	2.0
Do not know	18***	-

***Not included in percent distribution.

One comment regarding time to complete was “SOA time estimates for completion appear to be understated.”

Achieving Education Redesign Goals

The 2005 Education Redesign framework was developed to meet four primary goals:

- Improve education for actuaries.
- Reduce travel time.
- Contribute positively to the ASA’s relevance in the marketplace (e.g., provide flexibility, provide earlier grounding in practical and practice-specific competencies).
- Preserve the value of the ASA credential.

Tables 10 through 13 show candidate and employer ratings related to the Education Redesign goals.

Improving Education for Actuaries

Over three-fourths of the candidates and slightly more than half of the survey respondents indicate that FAP improves education for actuaries (candidate average rating = 3.95; employer average rating=3.37). One comment was “...I think it’s an improvement over an exam for education purposes.”

Table 10: Improve Education for Actuaries

Rating	Candidates**		Employers	
	N	%	N	%
Very much so	267	28.5	6	11.1
For the most part	447	47.7	22	40.7
Somewhat	152	16.2	15	27.8
Only slightly	56	6.0	8	14.8
Not at all	16	1.7	3	5.6
Do not know	-	-	13***	-
Average*	3.95		3.37	

*Rating scale: Very much so=5, For the most part=4, Somewhat=3, Only slightly=2, Not at all=1

**Candidate Evaluation Surveys as of August 31, 2007

***Not included in average or percent distribution.

Reducing Travel Time

Employers and candidates are consistent in their perceptions that FAP reduces travel time.

Table 11: Reduce Travel Time

Rating	Candidates**		Employers	
	N	%	N	%
Very much so	389	41.5	29	48.3
For the most part	308	32.9	17	28.3
Somewhat	135	14.4	6	10.0
Only slightly	65	6.9	4	6.7
Not at all	40	4.3	4	6.7
Do not know	-	-	7***	
Average*	4.00		4.05	

*Rating scale: Very much so=5, For the most part=4, Somewhat=3, Only slightly=2, Not at all=1

**Candidate Evaluation Surveys as of August 31, 2007

***Not included in average or percent distribution.

One comment received regarding travel time was *“As a company, we wonder how other companies are handling the speed of time to the designations. Is the marketplace for ASAs going to change—its obvious the experience level of a new ASA today is much different than that of an ASA a year and a half ago.”*

Although the SOA encourages students to begin the FAP course while in college and prior to actuarial employment, to date, the typical FAP candidate has been employed for about two and one-half years. Anecdotal evidence suggests that the current FAP fee structure is a barrier for college/university students. To support the goal the goal to reduce travel time, the SOA is exploring a non-standard FAP fee structure for college/university students to eliminate this barrier. We asked survey recipients to comment on the advantages and disadvantages of this approach (see Appendices G and H). More than one-fourth of the respondents were indifferent, did not know or indicated that there is no advantage to the employer. Just over ten percent commented that there are no disadvantages.

Stated advantages included:

- Reducing travel time.
- Creating a better, higher-skilled pool of candidates entering the profession (understanding the work they will be required to do, better overall view of the industry, more practical knowledge prior to employment, more exposure to actuarial concepts at the time of hire.).
- Identifying serious candidates committed to the profession before entering the workforce; more certainty about student’s commitment to attaining the FSA designation.
- Resulting in more productivity, sooner.
- Reducing employer costs – i.e., less study time required when employed.

Stated disadvantages included:

- Increasing employer costs.
- Raising salary expectations and inflating salary demands (further along in exams, but with no experience).
- Generating over-qualified candidates for entry-level work.
- Potentially creating FSAs without the appropriate actuarial experience.

Aside from the fee issue, over ten percent commented that generally, candidates will and should wait until they are employed before starting the FAP course. They noted that during college, students should be focused on the lower exams and that they will get more value from FAP after at least one year of experience with on-the-job knowledge of business examples.

Contributing to ASA's Relevance in the Marketplace

Almost three-fourths of candidates', but less than half of the survey respondents' ratings indicate that FAP contributes positively to the ASA's relevance in the marketplace.

Table 12: ASA Relevance in the Marketplace

Rating	Candidates**		Employers	
	N	%	N	%
Very much so	278	29.8	3	5.6
For the most part	407	43.6	22	40.7
Somewhat	179	19.2	15	27.8
Only slightly	55	5.9	7	12.9
Not at all	14	1.5	7	12.9
Do not know	-	-	13***	
Average*	3.94		3.13	

*Rating scale: Very much so=5, For the most part=4, Somewhat=3, Only slightly=2, Not at all=1

**Candidate Evaluation Surveys as of August 31, 2007

***Not included in average or percent distribution.

Preserving the Value of the ASA Credential

Of the four overriding goals, ratings (candidates and survey respondents) are lowest for the extent to which FAP contributes to preserving the value of the ASA credential. Although the majority of each group rate this goal as being met for the most part, a substantial percentage (40 percent) of survey respondents indicate that this goal is only slightly or not at all met.

Table 13: Preserve the Value of the ASA Credential

Rating	Candidates**		Employers	
	N	%	N	%
Very much so	180	19.2	4	7.3
For the most part	395	42.2	18	32.7
Somewhat	216	23.1	11	20.0
Only slightly	88	9.4	9	16.4
Not at all	58	6.2	13	23.6
Do not know	-	-	12***	
Average*	3.59		2.84	

*Rating scale: Very much so=5, For the most part=4, Somewhat=3, Only slightly=2, Not at all=1

**Candidate Evaluation Surveys as of August 31, 2007

***Not included in average or percent distribution.

Related comments from survey respondents reference FAP's high pass rates and less rigor than traditional exams. Sample comments include:

- *“Until there’s a meaningful pass rate...it’s not a useful tool.”*
- *“I still feel that traditional exams should remain the foundation of the actuary's education. I have heard students say that they've not had to try as hard to pass the FAP, and as a*

result perhaps retained less. It's fine to have this as part of the overall program, but it should still be a minority part."

- *"I think the e-Learning is good, but I think the exams are viewed as a joke due to the very high pass ratios. Especially as I have witnessed a few individuals that really struggled with courses 5&6, but had no problems with FAP. These individuals will attain their ASA, but will most likely not attain their FSA."*
- *"Students like the FAP study routine rather than memorizing formulas and lists. However, rigorous testing is a cornerstone of Actuarial Education and I think exam 1 has weakened that. The FA [Final Assessment] is good, but students are spending times over the SOA estimates on it. Also, it sure seems like the open posting on the forums makes any individual efforts suspect."*
- *"FAP Exam I is EXTREMELY easy. Something should be done to increase the difficulty level. Employees are concerned at the ease with which they achieved their ASA designation. They feel as though after completing the preliminary exams, the FAP course is just a formality to receiving an ASA. The modules were much less stressful than an exam and it is nice to be able to work at your own pace, but they don't think it was difficult enough to warrant ASA designation. The exam process is meant to be difficult, and that difficulty has been one of the reasons actuaries are so highly regarded. People fear that the Modules have made it too easy to obtain the credential. They like the e-Learning, but are worried this is taking away from the value of an A.S.A."*
- *"With such a throughput rate, I have a real question as to whether students are really gleaning all they might from what looks like an excellent syllabus."*
- *"This has made the ASA credential devalued as now we can easily have a student come out of college with their ASA. We recently had students that had no problem with the FAP (it helps with a 90% pass ratio) that said they really struggled on the FSA exams because they were not prepared for the jump. I think increasing the difficulty by requiring them to take more of an essay exam will help prepare for future FSA exams."*
- *"E-learning is fine, but the testing appears to not be very challenging. This waters down the value of the ASA designation as well as the FSA."*

Recommendations for Improving the Course

Two respondents commented that FAP should be eliminated. Suggestions for improvement included:

- Reduce the reading lists, particularly redundant or duplicative readings; condense some of the reading.
- Correct the errors and typos.
- Reduce the length of some modules.
- Add more real life case studies.
- Add more problem examples.
- Include more non-insurance content.
- Strengthen the testing.
- Improve accountability.
- Make exercise directions more understandable and objective; less prescriptive exercises.
- Apply more rigorous grading on the End-of-Module exercises and the FAP Final Assessment.
- Provide feedback to candidates not passing the Final Assessment.

Summary of Results

- The most common study program structure involves setting a specific numbers of *hours* for each of the two key course parts—Modules 1-5 plus FAP Exam 1 (100-125 hours), Modules 6-8 plus the Final Assessment (60-120) hours.
- The majority of respondents award salary increases between \$2,000 and \$2,500 for Modules 1-5 plus FAP Exam 1 and Modules 6-8 plus Final Assessment, respectively.
- Candidates rate overall quality of FAP quite positively, and more positively than do employers. Positive aspects cited by both groups refer to the flexibility and on-demand nature of e-Learning and the additional educational value available using the e-Learning approach.
- Candidates and employers indicate that candidates have improved and/or acquired new skills in the areas of understanding foundational principles, written communication and reporting, problem solving, applying the Control Cycle, modeling and analysis and recognizing the “big picture.”
- Employer assessments of time typically required to complete a module are consistent with candidate self-reports and range between 41 and 50 hours over a three to four-week period.
- The majority of employers and candidates generally agree that for the most part, FAP is meeting three of the four stated goals of the Education Redesign—providing better education for actuaries (for the most part), reducing travel time (very much so) and contributing positively to the ASA’s relevance in the marketplace (for the most part).
- Although the majority of survey respondents perceive that the Education Redesign goal of preserving the value of the ASA credential (the fourth goal) is being met for the most part, a substantial number of respondents strongly indicate that this goal is not being met. Concerns focus on the perception that the graded FAP requirements do not match the rigor of traditional examinations.
- Suggestions for improvement include increasing the rigor of course components, correcting minor content errors and improving the content by increasing relevance and reducing redundancies.

Conclusions and Implications

FAP represents a significant change to the SOA’s Education and Examination system—a change that is generally perceived positively by key stakeholders including the Board of Governors, the Education and Examination Executive Group, employers and candidates. Since the release of the first FAP component in February 2006, the SOA has monitored the results and has gained substantive experience with e-Learning. Still, the change requires commitment to ongoing evaluation and continuous improvement.

Although the Actuarial Study Program and FAP Feedback Survey respondents do not necessarily comprise a representative group and caution must be used in interpreting the results, the survey is an important evaluation component. The survey results, combined with feedback and input secured via other qualitative and quantitative methods, provide valuable input for improving the course.

FAP is currently under review. While maintaining the overall design and the use of the Control Cycle as the framework for the course, the FAP committees and SOA staff are enhancing instructional design techniques, content development processes and administrative processes to improve the candidates’ educational experience, in order to ensure a sustainable system and to preserve the value of the ASA credential.

The two hour multiple choice exam format is recognized as a weakness in the FAP design by the SOA Education Redesign team. The originally planned two-hour, multiple-choice FAP Exam 2 was replaced by the Final Assessment. This change is perceived as a substantial improvement

to the FAP course design. FAP Exam 1 may be replaced by a similar Assessment in the near future. The SOA Education Redesign team expects that the Assessments will improve both the education and examination rigor of FAP.

Planned enhancements include developing more interactivity, revising module content as appropriate (for example, reducing the length and structure of Module 2 and editing, correcting and updating) and creating additional Final Assessment forms. Process improvements will include the integration of plagiarism detection software, applying mechanisms to provide more feedback to candidates and implementing the role of FAP Discussion Forum Monitor.

The course will also be made available to college/university students on a not-for-SOA credit basis and at a reasonable fee, to provide them the opportunity to learn about actuaries, the work they do and what affects their work. The SOA will effect these enhancements concurrent with the release of FAP 2.0 during the first half of 2008. In 2007, course access will be extended to non-actuarial students such as academics and FSAs for a modest fee.

Details regarding changes to FAP in 2007 and 2008 will be communicated to the membership and candidates later this year via the SOA Web site and FAP News.

Appendix A: Survey

YOUR COMPANY or ORGANIZATION

1. Company/organization location(s)?
 - a. Canada
 - b. U.S.
 - c. U.S. and Canada
 - d. Other _____

2. Your office location: (specify city, state/province)_____

3. Employer type:
 - a. Banking/Investment
 - b. Consulting
 - c. Insurance Broker
 - d. Insurance Department (state/provincial/country)
 - e. Insurance Organization
 - f. Organization Serving Insurance Business
 - g. Other Governmental
 - h. Software Development/Vendor
 - i. University or College
 - j. Other _____

4. Company/organization services? (check all that apply)
 - a. Education
 - b. Financial Services
 - c. Health Benefit Systems
 - d. Investment Services
 - e. Life Insurance
 - f. Property & Casualty Insurance
 - g. Regulatory Services
 - h. Retirement Systems
 - i. Risk Management
 - j. Other _____

5. Approximately how many ASAs does your entire company/organization employ?
 - a. 1-10
 - b. 11-20
 - c. 21-30
 - d. 31-50
 - e. 51-75
 - f. 76-100
 - g. 100 or more

6. Approximately how many FSAs does your entire company/organization employ?
 - a. 1-10
 - b. 11-20
 - c. 21-30
 - d. 31-50
 - e. 51-75
 - f. 76-100
 - g. 100 or more

7. Approximately how many actuarial students does your entire company/organization employ? (include ASAs studying for FSA)
- a. 1-10
 - b. 11-20
 - c. 21-30
 - d. 31-50
 - e. 51-75
 - f. 76-100
 - g. 100 or more
8. Approximately how many of the actuarial students employed by your entire company/organization have completed the Fundamentals of Actuarial Practice (FAP) course
- a. 1-10
 - b. 11-20
 - c. 21-30
 - d. 31-50
 - e. 51-75
 - f. 76-100
 - g. 100 or more
9. Approximately how many of the actuarial students employed by your entire company/organization will likely complete Fundamentals of Actuarial Practice (FAP) within the next year?
- a. 1-10
 - b. 11-20
 - c. 21-30
 - d. 31-50
 - e. 51-75
 - f. 76-100
 - g. 100 or more

ACTUARIAL STUDENT STUDY PROGRAM

10. Do you personally coach/mentor actuarial students?
- a. Yes
 - b. No
11. Does your company/organization have a formal study program for actuarial students?
- a. Yes
 - b. No (Skip to question 22)
12. Is the study program at your company/organization:
- c. Centralized
 - d. Decentralized
 - e. Other _____
13. Are you directly involved with setting a study policy at your company/organization?
- f. Yes
 - g. No

FAP STUDY PROGRAM POLICIES

14. Do you personally coach/mentor current or recent FAP actuarial students?
- a. Yes
 - b. No
15. Does your company/organization provide the FAP required books for your actuarial students?
- a. Yes
 - b. No
16. Does your company/organization provide study time for FAP actuarial students?
- a. Yes
 - b. No (Skip to question 22)

Based on the FAP candidate feedback we have received, policies for study programs and salary increases/bonuses for actuarial students vary widely. Please respond to the following questions from the employer perspective.

17. How does your company/organization structure study time for FAP actuarial students?
- a. Set number of hours for all of FAP (including Modules 1-8, FAP Exam 1 and Final Assessment)
 - b. Set number of hours per module
 - c. Set number of hours for each major phase of FAP (modules 1-5, modules 6-8, FAP Exam 1, and Final Assessment)
 - d. Set number of hours for modules 1-5 and FAP exam 1; and set number of hours for modules 6-8 and Final Assessment
 - e. Set number of days for all of FAP(including Modules 1-8, FAP Exam 1 and Final Assessment)
 - f. Set number of days per module
 - g. Set number of days for each major phase of FAP (modules 1-5, modules 6-8, FAP Exam 1, and Final Assessment)
 - h. Set number of days for modules 1-5 and FAP exam 1; and set number of days for modules 6-8 and Final Assessment
 - i. Other _____

18. Please enter the number of hours or days that correspond to your answer above.

19. Are there restrictions on when and how study time can be used (e.g., a maximum per day/week or restrictions as to the percent of time spent at work vs. home)?

- a. Yes
- b. No

20. If you answered yes, to the question above, please describe the restrictions here.

21. Please provide any additional information regarding your study program.

COMPENSATION or BONUSES for FAP

22. Has your company/organization provided salary increases or bonuses for the completion of FAP elements? (Provide information as of March 31, 2007 or prior.)
- Yes
 - No (Skip to Question 25)
23. How has your company/organization provide salary increases or bonuses for the completion of FAP elements? (Provide information as of March 15, 2007 or prior)
- Set dollar amount awarded for completing all of FAP (including Modules 1-8, FAP Exam 1 and Final Assessment)
 - Set dollar amount awarded per module completed
 - Set dollar amount awarded for completing each major phase of FAP (modules 1-5, modules 6-8, FAP Exam 1, and Final Assessment)
 - Set dollar amount awarded for completing modules 1-5 and FAP exam 1; and set dollar amount awarded for modules 6-8 and Final Assessment
 - Percentage of salary awarded for completing all of FAP (including Modules 1-8, FAP Exam 1 and Final Assessment)
 - Percentage of salary awarded per module completed
 - Percentage of salary awarded for completing each major phase of FAP (modules 1-5, modules 6-8, FAP Exam 1, and Final Assessment)
 - Percentage of salary awarded for completing modules 1-5 and FAP exam 1; and percentage of salary awarded for modules 6-8 and Final Assessment
 - Other _____
24. Please enter the dollar amount or percentage that corresponds to your answer above. (Provide information as of March 31, 2007 or prior.)
- _____

FAP COURSE FEEDBACK

25. How many hours does a typical actuarial student with your company/organization spend working on each FAP module?
- More than 50 hours
 - 41-50 hours
 - 31-40 hours
 - 21-30 hours
 - 11-20 hours
 - 1-10 hours
 - I do not know
26. How many weeks/months does a typical actuarial student with your company/organization spend working on each FAP module?
- 1-2 weeks
 - 3-4 weeks
 - 5-6 weeks
 - 2 months
 - 3 months
 - 4 months
 - More than 4 months
 - I do not know

27. In your assessment, is the FAP content appropriate for the level of professional/business experience of your actuarial students?
- Very much so
 - For the most part
 - Somewhat
 - Only slightly
 - Not at all
 - I do not know
28. In your assessment, is the FAP content up-to-date regarding practices in business, industry and/or technology?
- Very much so
 - For the most part
 - Somewhat
 - Only slightly
 - Not at all
 - I do not know
29. In your assessment, does the FAP course meet the individual learning needs of your actuarial students?
- Very much so
 - For the most part
 - Somewhat
 - Only slightly
 - Not at all
 - I do not know
30. In your assessment, have your FAP actuarial students acquired any new job skills that they can apply to their current and/or anticipated work assignments?
- Very much so
 - For the most part
 - Somewhat
 - Only slightly
 - Not at all
 - I do not know
31. Please describe any new skills your FAP actuarial students have acquired
-
32. In your assessment, have your FAP actuarial students improved any skills they already had?
- Very much so
 - For the most part
 - Somewhat
 - Only slightly
 - Not at all
 - I do not know
33. Please describe how your FAP actuarial students' skills have improved.
-
34. In terms of preparing your actuarial students to do their current or future jobs better, how would you rate the overall quality of the FAP Course?
- Excellent
 - Good
 - Fair

- d. Marginal
- e. Poor
- f. I do not know

To what extent does FAP meet the goals of the education redesign with regard to the following statements?

35. FAP improves education for actuaries.

- g. Very much so
- h. For the most part
- i. Somewhat
- j. Only slightly
- k. Not at all
- l. I do not know

36. FAP reduces the amount of time candidates require to obtain an ASA or FSA designation.

- a. Very much so
- b. For the most part
- c. Somewhat
- d. Only slightly
- e. Not at all
- f. I do not know

To support this goal, the SOA is exploring a non-standard FAP fee structure for college/university students—a modest registration fee and deferral of balance due to the time at which they are employed full-time. We believe this strategy will overcome the current fee barrier for students and give them the opportunity to complete part or all of the course prior to actuarial employment.

37. From the employer perspective, what are the advantages of the above fee strategy?

38. From the employer perspective, what are the disadvantages of the above fee strategy?

39. FAP contributes positively to the ASA's relevance in the marketplace (e.g., provides flexibility, provides earlier grounding in practical and practice-specific competencies).

- a. Very much so
- b. For the most part
- c. Somewhat
- d. Only slightly
- e. Not at all
- f. I do not know

40. FAP contributes to preserving the value of the ASA credential.

- a. Very much so
- b. For the most part
- c. Somewhat
- d. Only slightly
- e. Not at all
- f. I do not know

41. What recommendations do you have for improving the FAP Course, overall?

42. Additional Comments (advantages and/or disadvantages of e-Learning as a delivery method for content, modules, FAP Exam 1, FAP Final Assessment, exam/final assessment supervisor responsibilities, exam software, etc.)

43. Would you like an SOA staff member to contact you for additional discussion? If yes, please provide your contact information below.

- a. Yes
- b. No

44. Name _____

45. Title _____

46. E-Mail _____

47. Phone _____

Thank you very much for taking the time to complete this survey.

Appendix B: Respondent Demographics

Company/Organization Location	N	Percent
U.S.	53	79
U.S. and Canada	8	12
Canada	5	7
Other	1	1

Employer Type	N	Percent
Insurance Organization	46	69
Consulting	16	24
Other Governmental	2	3
Other	2	3
Organization Serving the Insurance Business	1	1

Company/Organization Services	N
Life Insurance	51
Health Benefit Systems	31
Retirement Systems	30
Financial Services	24
Investment Services	17
Risk Management	13
Property & Casualty Insurance	11
Regulatory Services	2
Other	3

ASAs, FSAs, Actuarial Students and FAP Candidates Employed

	ASAs Employed		FSAs Employed		Actuarial Students Employed		Students Completed FAP		Students To Complete FAP Within the Next Year	
	N	%	N	%	N	%	N	%	N	%
1-10	31	46	20	30	20	30	53	79	47	70
11-20	7	10	12	18	12	18	8	12	12	18
21-30	7	10	5	7	6	9	4	6	4	6
31-50	6	9	10	15	10	15	2	3	4	6
51-75	7	10	4	6	6	9				
76-100	2	3	7	10	4	6				
>100	7	10	9	30	9	13				

Appendix C: Restrictions Placed on Study Programs

Company hours must be at work unless prior approval received. Company hours must be spread out over time so that company projects are not unduly impacted.
Max 7.5 hours a week (1 day).
Study at work only.
2 work hours a day Exam 1 at work, included in the 180 hours 16 work hours (2 days) for Final Assessment. Students are encouraged to complete final assessment over a weekend or take vacation in order to have 96 total hours for the Final Assessment. Students are always expected to study on their own 2 hours for every work hour granted to pass efficiently. Students are not allowed to take any of the 180 hours at home unless supervisor approved and this would be minimal FAP must be completed in 15 months.
10 hours max. per week, 15 hours max. per week, within 2 weeks of exam, 3.75 hours max per day Student can take study time at home if they have passed one exam while at the company.
No more than 1/2 day out of the office.
Students must provide a calendar of days to be taken in advance.
Subject to manager approval.
No more than 2 days in a row may be used for studying.
Study time is earned over a 15-week period. Students have to be working or on vacation to earn study time.
Guidelines, not restrictions. Generally no more than 2 hours per day. Company prefers no study time at home, but supervisor may allow in some cases.
Students are encouraged to spread out study time as much as possible and to take it on a daily basis.
Scheduling study time and location of study time is subject to manager approval.
Study Time at work should not be taken in blocks of more than 4 hours. Guidelines for the Use of Study Time Away from Work Study Days - When study time is taken away from work, it should be taken in full day (8.0 hour) increments. With approval of his/her manager, a Student may arrange to take up to 3 study days away from work during the two weeks preceding his/her exam. Students who have passed two courses in the last two exam sessions may arrange with their managers to take additional study time away from work.
Maximum of 8 hours per week.
Not more than 60 hrs can be taken in any 2 wk period; and not more than 100 in the 4 weeks before exam.
Study schedule must be reviewed with supervisor in order to ensure that coverage of month end workload is handled. Each hour must be matched with 2.25 personal hours.
Typically allow 1 hour per day. Some flexibility is allowed based on work schedules but prefer to not exceed 3 hours a day.
The study time needs to be pre-approved by the immediate supervisor so as to be spread out and appropriately balance work project completion dates with giving/getting company study time.
8 hours max per week, unless week of exam then up to 24 hours.
One or two hours a day at office.

All study time is scheduled with supervisor.
Cannot exceed 12.5 hours per week or 4 hours in a day without manager approval.
1 day a week, however this is very flexible and rarely enforced.
Generally, no more than 2 days per week. Also, a maximum of 15 days in a 6-month period.
Up to 24 hrs away from office.
Schedule must be approved by supervisor (no set rules).
1 study day per week unless approved by manager. 18 day maximum in a 6 month rolling period unless approved by manager.
Study time is a privilege and is subject to successful completion of the regular workload. Students are required to discuss the intended study time with their supervisor/manager, and study schedules must be approved in advance by the supervisor/manager. Any changes from schedule must also be approved by the supervisor/manager. The supervisor/manager may regulate the maximum number of study days per week, number of students absent at a given time, black-out periods, scheduling of vacation, maximum continuous absences prior to exam day, and other restrictions in order to balance the workload with student needs. If necessary, supervisors may request postponement of a scheduled study day, but must make efforts to provide an alternate within the same exam period.
Students are allowed to take a maximum of 15 study days in a 6-month period (January - June, July - December).
Must be used at work.
Although not a written requirement, it is preferred and assumed that study time will be spent at work.
Study time may be taken at home only the day before an exam.
The following maximum will apply to the study time: i) 1 day of study time per week; ii) 3 consecutive working days of study time taken before the day of the exam; iii) 2 days during the week preceding the day of the exam (3 if exam is on a Monday), without exceeding 3 consecutive work days.
No fewer than 5 and no more than 10 days may be spent on Mods 1-5. Then the remainder of the 15 days is used on Mods 6-8.
Varies based on each supervisor. Students are required to work with their manager to determine an appropriate study schedule. The centralized program does not have such restrictions.

Appendix D: Additional Study Program Information

Study program is in a state of flux pending fellowship courses and modules plus pending revisions to FAP reading material.
Constantly evolving.
Students are required to provide a study schedule to their supervisor.
The goal of our study program is to provide approximately 1/3rd of the time required to pass an exam on a first attempt basis (the hours required are based on SOA guidance).
The program is Division within the large corporate structure.
FAP module and exam fees are paid only once because of the high success rate. For other exams we pay twice. Also, no second or later attempt study time for FAP exams/FA for the same reason.
We are reviewing the study time for FAP and will likely decrease the hours but provide additional flexibility.
Hours are reduced for second attempt.
We will be flexible in scheduling study time as long as projects are done within the timeframes needed.
Coordinate with an affiliated company's Property and Casualty Actuarial Department to maintain consistency between programs. FAP is correlated with CAS Exams 5 and 6 in our program.
No first time pass bonus for the FAP.
No study time given on 2nd & later attempts @ FAP Modules/Exams.
Study time in #18 is for first attempt, then 2/3 of this amount for second attempt, 1/3 for third attempt, and 0 for subsequent attempts. This does not apply to FAP Modules since there is a 100% pass rate. For students who have proceeded beyond 5 modules prior to writing FAP Exam #1, they are able to draw upon study days allotted for FAP Modules 6-8, keeping in mind that total study days granted will not exceed those outlined. Part-time employees will receive a pro-rated amount of the above study time allotment, based on their hours of work. Study time is also pro-rated if an individual is hired within 3 months of the exam (e.g. 1/3 of the above allotment will be provided if hired one month prior to the exam). Time off to write the exam is provided in addition to study time.
Last year, the students complained that the modules were taking longer than the SOA estimated. Especially module 2. We ended up adding one more day for a total of 16 days. We also gave an option for a 17th day if the student comes to work half a day on the day of Fap Exam 1.
We used to provide a set number of hours per major phase or exam. Given that some exams can be taken numerous times per year, we were receiving complaints from managers that students were studying all the time. To provide more balance, we converted to a set amount of time per 6 months.

Appendix E: New Job Skills

Please describe any new job skills your FAP actuarial students have acquired.
Nothing specific but I'm guessing they learned something.
A better appreciation for the "big picture" has been acquired.
I have heard that the project exercise was particularly helpful.
I think the process is too basic and not challenging our students.
Presentation skills, self-confidence, improving modeling skills.
Nothing very specific. Just some new clues about how and why we do some of the reporting that we do.
Communication skills, spreadsheet analyses, industry knowledge (Standards of Practice).
Some report writing (structure).
Written communication in a business environment;
Appreciation for the role actuarial standards of practice play in completing job assignments.
More broad knowledge.
Report writing skills.
We train our students for the work that is needed. We cannot wait on the SOA. They do seem more proficient at analysis. Hopefully!
Provided a broader perspective on work.
Ability to approach problems and exercise had increased.
Structuring analytical responses.
Strengthened writing skills; better understanding of what our health management practice does; learned more about other actuarial professions and how our skills are shared; use of different IBNR methods; use of control cycle with performing my duties; using the assumption control cycle and model control cycle when planning/performing work.
Model building, validation Formal problem solving mentality.
An understanding of the actuarial control cycle (however, the material seems to be targeted to a college student audience rather than an actuarial student who is already exposed to the industry); better knowledge of monitoring, better knowledge of a variety of topics, exposure to different products and models.
Various students indicated the following: -Exposure to other areas of practice. -Learned history of actuaries. -Gained a better understanding of the actuarial control cycle that can be applied to any project. -Gained a better understanding of other types of actuarial fields. -Composing memos, some new functions in Excel, some industry benchmarks and interesting studies that can be applied to projects. -More comfortable in preparing reports to clients. -Looking at the big picture more so than before when starting projects. -Better ALM skills. -A better understanding of 'actuarial communication'. -Greater familiarity with stochastic simulation. -Better understanding of actuarial resources available. -Improved actuarial memorandum writing ability. -Understanding importance of documentation and methods for doing so. -Framework for approaching new projects. One student said the following: I have not acquired any new job skills with the FAP. What is most frustrating is that the FAP does not provide any feedback, so even if I did learn something I have no idea if I learned it correctly. For example, the end of module exercises are meant to improve business

communication skills. However, most of the exercises are not graded. In fact, from my experience, it appears that only one of the seven end of module exercises are graded and checked. If you fail that one end of module exercise, no feedback is provided. You're just required to do it again. The same goes with the FAP Final Assessment. If you fail the final assessment, which I did the first time, no feedback is provided. You are required to take it again without any guidance, without knowing what went wrong.

Acquired a greater sense of responsibility. More at ease approaching new actuarial work because the modules gave a strong foundation in the general principles of the field. Acquired skills to "define a problem" and how important it is to line everything up for a project instead of diving in. Learned different ways to solve problems and ideas on ways to apply actuarial knowledge. Are able to apply the broad principles from the course in their work and has helped them to work faster and make fewer mistakes.

Communicating results/information - Excel techniques to apply to various actuarial assignments/problems - modeling skills - the control cycle - problem-solving process.

FAP seems to be more about skill development than skill acquisition.

Improved writing skills.

There were mixed reactions to questions 29 and 30. Some feel the exams don't meet needs and haven't acquired new skills. However, a couple of positive comments were that they learned general approach to actuarial problems and were made aware of external forces impacting the profession.

Comments have been that they have liked the control cycle. It has given them ideas on how to approach actuarial problems that they hadn't seen.

Appendix F: Improved Skills

Please describe how your FAP actuarial students' skills have improved.
Nothing specific but I'm guessing they learned something.
Improved testing and documentation skills have been acquired due to FAP.
Written and oral communication.
It's just really hard to tell. We've had 2 students take FAP. They've only just completed the final assessment in the last 6 weeks or so, so it's hard to say they've improved immensely just because of FAP or that they haven't. But, for the most part, most of these students either already have what it takes to communicate or they don't. I view the FAP as a way for the SOA to assess whether we have communicators to go with our highly intelligent staff. The ones that fail, don't seem to be good communicators. I know a student here who failed and a colleague's student who failed. Neither one is a great communicator. I think it makes them have to think about and understand audiences which I do think helped my student who passed in May in a June presentation.
Too early to tell.
Structure of reports.
Communication skills.
I believe they improve their ability to analyze a case or situation in an organized, in-depth manner.
Written communication skills; analysis skills.
Better appreciation/understanding of the whole range of skills needed/utilized on work assignments.
Practice in written communication skills.
Modeling and sensitivity testing concepts.
Memorandum writing abilities.
Forces them to approach problems and exercises in a more systematic way.
Communication, ASOP compliance.
Improved writing skills; professionalism; application of control cycle; problem solving; adding summaries to documents, both internal and external; improved advance planning.
Formal memos, documentation.
Better appreciation for the control cycle, as well as for documentation of projects, for some of the students.
Various students indicated the following: -Increased skills in Excel. -Broader understanding of the industry and market place. -Actually also helped me get a better understanding and theoretical background for vals. -Writing skills. -For the most part, the FAP material is concentrated on "the big picture". You might see a more immediate improvement in studying something very specific, like how to do a specific calculation or task, if you happen to see that specific task in your work. But, I think, the improvement from studying the big picture is more permanent. -Better understanding of general actuarial concepts and techniques.
Improvement in: documenting work (i.e., assumptions and methods used); analyzing the requests for clients (i.e. understanding what they need and how best to provide the information); writing and creating presentations. The FAP course stresses writing with all of the end of module exercises and Final Assessment. It has been helpful for the students to get experience on communicating their work in letters and memos. Some of the work at [] involves using template letters and updating

them each year; while it is good for getting the work done efficiently, the FAP course helps prepare them for writing without a template.

Communication - technical skills - documenting - reporting - fundamental reserves and pricing concepts helped understand reserving for all lines of business and gain big picture for - control cycle - application to reserving process to ensure data accuracy, model appropriateness, and output rationality.

Memo writing has helped develop written communication skills - data verification/validation, reconciliation/checking and assumption building have all improved.

Again mixed reaction both positive and negative. Some said the FAP did nothing for improving skills while another said it increased awareness of situations where skills could be used.

Problem solving skills and communication were the two big ones mentioned.

Appendix G: FAP Access for College/University Students - Advantages

To support this goal (FAP reduces the amount of time candidates require to obtain an ASA or FSA designation), the SOA is exploring a non-standard FAP fee structure for college/university students—a modest registration fee and deferral of balance due to the time at which they are employed full-time. We believe this strategy will overcome the current fee barrier for students and give them the opportunity to complete part or the entire course prior to actuarial employment.

From the employer perspective, what are the advantages of the above fee strategy?
Students won't wait until employment to start the FAPs.
I see no real advantage as an employer, since we do not typically hire at the ASA or above level.
Less study time required.
Supposedly will reduce employer cost - but I'm skeptical.
This could create a better pool of candidates entering the profession.
None plus how do you collect - hold their asa up as a hostage? This could create a lot of pseudo asa's particularly overseas where patents and copyrights are not valued.
None.
It will encourage students to complete as many exams as they can - help identify serious candidates, fewer exams to worry about.
None.
It will reduce the amount of study time we will need to provide due to the fact they will take these exams in college.
No comment.
It would get students through faster.
We don't have to pay for the module fees for co-op students (although, we currently do not cover these anyway).
None for the employer.
I don't see this as an advantage. To have a brand new college hire come to us with their ASA is difficult to justify where they should be due to their experience level. We would rather pay for the FAPs and have them come with less exams to gain more experience before attaining their ASA.
Can't see an advantage from the employer's perspective.
I think that we should emphasize relevancy and future employability rather than increasing the number of potential future actuaries.
I suppose it is getting near FSAs as new hires, this may or may not be an advantage as the practicalities of the business and the approach to business are not adequately taught in a text book environment.
Cost savings.
None, other than avoiding the costs as part of the program.
None.

N/A for us.
None.
Students can complete the FAP while in school and don't need to do this on the job.
Little.
No real advantage or disadvantage; employers are paying the fees now; some exposure to FAP prior to employment would be good.
You only have to pay when they finish the exam or want credit. This saves us/them money if they decide to drop out at some point.
N/A We normally hire lower level students.
Students are better prepared when they start working.
None come to mind.
Indifferent.
Don't know.
I don't really see any.
For students at that level, it would encourage individuals to pass examinations /FAP prior to employment which is always helpful and less costly to a company
Potentially more qualified job applicants.
No advantage. Work experience is critical and someone who has the credentials but no work experience is not as attractive to me as someone who may not have gotten the credentials while in school but while in the workforce instead.
Could reduce the amount of study time.
For those that are appropriately along the exam process, it would allow them greater flexibility of when to take the FAP.
More knowledgeable candidates.
Makes the program more accessible to students.
The fee structure may encourage college students to take the FAP, which would give them a better understanding of the type of work actuaries do before they have committed to taking all of the other exams.
Having students move through exams quicker.
It will encourage students to be further along.
It would encourage college student to take FAP. Then the new employee with FAP would have a better understanding of the type of work they would be required to do, rather than just understanding the mathematics.
Recent graduates, if they chose to be working on FAP, will come into the workplace with a better overall view of the industry.
Not qualified to answer this.
Students are further along the ASA or FSA path at employment, with the associated knowledge from the process. This would make them more productive sooner.

Students may be more motivated to make a commitment to the profession before entering the workforce. This may weed out the students that do not continue in the field.
We don't see any real advantages of this.
If students complete some modules while in school, they may be productive more quickly.
Students more likely to be further along in process at hire.
College students may have more exposure to actuarial concepts at time of hire.
Students will get more exposure to the field/practice while still in school.
It would be an advantage to the company to hire people who have already completed the FAP.
Do not have to provide study time.
Earlier attainment of skills (i.e. hire students with higher skill levels, so can assign them to more complex roles/functions) - more practical knowledge would be gained prior to employment.
Less paid study time needs to be provided - students have some knowledge of the insurance industry before starting full-time work.
Does not apply. Students who have taken FAP modules would be over-qualified for entry-level work.
This will free up the student to not have to spend work time on these modules. The concept seems similar to the VEEs, as well. Our students have really appreciated the VEE concept, where, if they already have had the course in college, they don't have to spend time studying for it now.
It does give college students a break in expenses at a time when money is tight and allows them to start the process.
Allow more university-level students to progress rapidly while in school; and begin a first job with more exams/modules completed. For the employer, there is more certainty about the student's commitment to attain the FSA designation.
I don't see any major advantages or disadvantages.
Students would potentially come in with more exams and experience using this method.

Appendix H: FAP Access for College/University Students - Disadvantages

To support this goal (FAP reduces the amount of time candidates require to obtain an ASA or FSA designation), the SOA is exploring a non-standard FAP fee structure for college/university students—a modest registration fee and deferral of balance due to the time at which they are employed full-time. We believe this strategy will overcome the current fee barrier for students and give them the opportunity to complete part or the entire course prior to actuarial employment.

From the employer perspective, what are the disadvantages of the above fee strategy?
None.
Some of the actuaries here preferred building actuarial talent "from the ground up". They prefer students that are not too far along the path to ASA/FSA. This may decrease the pool of "younger" actuaries.
I don't think students will use it. Most of the candidates will be working full time before they start taking FAPs.
Not many students will take FAP while still in school, so there will be very little change in that regard.
I don't see a disadvantage to this strategy.
This will serve to exacerbate the imbalance between experience and exams; there are relatively few places to put a new ASA who's a new university grad - about 0 experience with the expectation of being paid like an associate translates to limited job prospects. I'm not sure what is the rationale for breaking the historical linkage between linking experience and exams but it's a poor strategy.
This would presumably raise the already outrageous fees for employed individuals. Students should be focused on the lower exams. I don't see the benefit of offering this to students.
Not fair to employers who are paying large fees.
None.
We will be expected to pay a higher salary to someone with no experience as they are farther along in the exam progress. I also question on why you defer the cost as you have in the past just reduced the fee for students and did not make the company pay for the reduction once they were employed.
No comment.
I don't think that it is necessarily good for students to be completing the modules while they are still in college. I think they would get more out of them if they completed them after at least a year of experience.
We will see more and more new grads starting with the company who are already ASAs. This means that we will have qualified actuaries within a year or two of completion of university and will mean that we will have to revise position and salary expectations for new fellows.
I'm against having ASAs come straight out of college with no experience, so I do not support special reduced fee structures for FAP. Students right out of college are not ready and do not have the work experience, even with VEE, to have such a credential. And with the credential, they may be too expensive from a salary perspective to justify hiring with no experience.
Can't see any real disadvantages from the employer's perspective.
Worried about the "dumbing down" of future actuarial skills.

I think learning about the actuarial control cycle makes more sense after the student has had a year or two of working experience. Additionally, this makes it more likely that students will graduate college with their ASA, but they may be difficult to place without sufficient work experience.
An ASA out of college is disadvantageous to the employee, and as such I don't see the proposal as an advantage. Quality employees have a balance of formal education and work experience; education alone is not sufficient.
Students will come out of school expecting their future employer to pay for the FAP modules. This increases the cost to hire an entry-level individual. This makes it more difficult for companies with smaller student programs.
N/A for us.
Would students expect the employer to pay their balance.
I see no benefit to having students earn credit for FAP prior to employment. As a company we don't want to pay for work a student did before employed. The deferred fees for those students that never become employed would probably be spread over all FAP or other exams, further increasing cost to employers. Forget it.
Employers have to pay these fees.
I think that some of the value of the FAP comes with having seen real life business examples on the job.
No real advantage or disadvantage; employers are paying the fees now.
Students are completing exams too quickly for their level of experience. This makes them less hireable because they are "over qualified" for the position based on exams.
This gets students through exams too quickly and most likely at ASA without any experience. It will be difficult to compensate accordingly.
1) I think newly hired students with a balance due are now going to request payment by their employer. Thus complicating the whole process of making an offer and getting acceptance from potential full-time students. 2) Don't see a need to have so many exams & modules passed prior to full time employment. This is inflating initial salary demands that are becoming too high given the lack of experience in new hires.
Indifferent.
Don't know.
Increased expense due to exam fees incurred by employer. Since entry level salaries are based on # exams, more exams passed prior to employment results in higher beginning salaries.
I am not sure there are a lot of people at the FAP level that are in college - thus, in my opinion not a lot of utilization on this concept.
Payment of deferred amounts.
Candidates with no practical experience but expensive credentials.
Will be an expectation that the employer should reimburse the course fee. May create actuaries that are reaching the FSA level faster without having proper actuarial experience.
Such would encourage university students to attempt FAP earlier in their progression through the exams since they are perceived as 'easier' than exams. The detriment is that students might not be ready with respect to experience and knowledge of the earlier ASA exams (e.g. P, FM, MLC, etc.).
Students might want the new employer to pay the deferred cost

<p>What if the student never becomes employed full-time or goes into a non-traditional role? How aggressively with the SOA pursue collection? Seems to create an expectation that the hiring company would pay an expense for an "exam" already completed upon hire.</p>
<p>One of the criteria we look for when hiring candidates for our actuarial study program is proven success at passing exams. We usually only hire people who have passed at least 1, or preferably two exams. By encouraging college/university students to take the FAP under the proposed fee structure, students may complete the FAP first. But I am not convinced that we would view passing the FAP as demonstration of the ability to pass exams and we might still require that a candidate pass an exam before hiring them. This would perhaps cut down on the number of candidates we would consider or, if we hired people who only had passed the FAP, might lead to more people being unable to meet program requirements if it turned out that passing the FAP was a poor indicator of future exam success.</p>
<p>Having candidates expect the employer to pick up these deferred fees.</p>
<p>Will they really know anything useful? I personally like to have them working in the real world before they get too much theoretical knowledge.</p>
<p>Higher upfront salary expectations by students.</p>
<p>If recent graduates come into interview after completing FAP and obtaining their ASA, they will be over qualified for the job and may not be hired.</p>
<p>Not qualified to answer this.</p>
<p>Registration fees that might have otherwise been paid by student prior to employment.</p>
<p>None.</p>
<p>We feel students will get much more out of FAP after they have taken the first four exams AND have some real actuarial work experience. If this is implemented, we would recommend adding a requirement that FAP cannot be started until a student passes, or at least attempts, the first four exams.</p>
<p>The educational value of the FAP may be less for someone with little or no work experience. Pressure to reimburse new hires for the deferred fee.</p>
<p>Deferring expense to the employer.</p>
<p>The expectation would likely be that the employer pay the deferred fee, which increases our expenses. Also, the students may be diverted from focusing on VEE. In addition, the travel time to ASA might be too short after graduation. We need to choose whether the FAP is geared towards more introductory material, or more substantial material that would enhance the value of the ASA.</p>
<p>Students might not have sufficient context/exposure to fully learn the concepts. When they're hired, they'll have more exams under their belt, but not the practical experience to match.</p>
<p>Disadvantage is that the students may assume that their FAP fees will be paid by the company when they are hired.</p>
<p>Large dollar outlay at time of hiring student.</p>
<p>Students taking FAP prior to employment will not be able to apply actual work experience to their studies - possible gap between required hiring salary and total knowledge base</p>
<p>Additional administrative complexity (study time, fee payments, etc) - students may be encouraged to defer preliminary exams in favour of completing the FAP.</p>
<p>NA.</p>
<p>The employer incurs some immediate costs when hiring a student who has this "outstanding</p>

bill",...but given the employer would incur this cost eventually,...it's probably not much of a disadvantage to the employer.

Additional cost to the employer.

Increased amount of fees to pay.

I don't see any major advantages or disadvantages.

I think there are many disadvantages to this approach. A student could begin the modules and then decide the career isn't for them. This is typically decided more quickly. If you are paying for FAP and Course P, you are spending more money. Students could also come in with more exams and less experience. This makes it difficult from a salary perspective.

Appendix I: Recommendations for Improvement

What recommendations do you have for improving the FAP Course, overall?
Clearer instructions on the end of module exercises.
Maybe there should be some timeline to be established for completion so the student as some "pressure" to actually complete it in a timely matter.
SOA needs to understand there needs to be a limit for all exam syllabus, especially FAP. Our experience is that the syllabus for 1-5 is significantly greater/more difficult than the syllabus for 6-8.
Eliminate it.
The exams are still very complicated for any firm with a firewall. Perhaps we are unique in this, but it's a major exercise just to make a couple of computers available for the test. For the final assessment, special arrangements have to be made to accommodate our work at home employees in order to supervise the download. Either the student or supervisor will have to make a special trip for this.
This has made the ASA credential devalued as now we can easily have a student come out of college with their ASA. We recently had students that had no problem with the FAP (it helps with a 90% pass ratio) that said they really struggled on the FSA exams because they were not prepared for the jump. I think increasing the difficulty by requiring them to take more of an essay exam will help prepare for future FSA exams.
Add more real life case studies.
More accurate estimation time of when modules will be released.
I'm sure that this is difficult, but the best practical, practice-specific competencies are earned and learned in the real world of employment. It may be more reasonable for students to be asked to take a work project and apply it to the context of the materials in the FAP Course and defend how they can communicate it upward. Have them write a memo about a project that relates to some part of the Actuarial Control cycle and have their supervisor be the one to assess it against a checklist to move on to the next phase of the modules. This may even reduce your workload of volunteers by not needing such a large bank of universal modules. Plus, if it's real work, the applicability of it from a work perspective and an up-to-date industry perspective can't be questioned. Then, if you really want to allow college students to be actively working on FAP, you could solicit detail for modules from submitted student reports. You can ask them or their supervisor whether you could get a generic form of the student's project data and an outline of the audience, project goals, etc., and you'd have a ready-made module bank for non-employed students.
The readings seemed to overlap quite a lot, so consider pruning the reading lists. The final test, which the candidates have a weekend to complete and are allowed to seek help on their assignments was constructed so to leave candidates using educated guesses at some important data. This may be intended as "real life", but I don't think the profession should actually be encouraging educated guesswork as a substitute for statistical inference.
Keep module exercises and FAP exams relevant to material being taught, and make sure that grading is kept somewhat rigorous (meaning a sufficient percentage of responses are checked, not that the pass percentage should change).
I've had everyone complain about the material in modules 1 and 2 being boring, redundant and marginally practical.
Feedback on why someone does not pass the FAP final assessment would be very beneficial to future professional development.
Eliminate it.

More feedback to students who do not pass the Final Assessment. It is not sufficient for the SOA to merely state that the candidate "does not meet minimum standards."
I think you should strengthen the testing, and make it less subjective. Well-prepared students have commented that they could argue more than one selection on some questions. The SOA needs to provide more meaningful feedback for those that do not pass.
I don't want to suggest arbitrarily raising the level of exams, but the FAP process is perceived as easy to complete. The now problem arises because older actuaries had more difficult requirements: now two actuaries with the same credentials but one got there by running through exams.
The use of more exams to test knowledge.
The higher pass rates gets students through exams very quickly without a lot of relevant experience. I don't think the high pass rates add much to the value of the FSA designation.
Encourage students to start the modules as they start their career. Modules should not be a hiatus between the multiple-choice exams, and the written exams. They should be an ongoing part of the education process.
none as I'm not familiar with the content.
I believe it is still early in the FAP experience. Our students have found the optimistic projections of when modules would be ready to be frustrating. And, the unknown of how it works, what is tested, etc.
The student at my location asked the SOA whether he could utilize someone here to review his module exercises prior to submission. After being given permission he asked me to do that for him. I found the process useful as a teaching tool - particularly related to communication skills. However, it wasn't completely clear what I was able to help him with - I think the guidelines should be clear.
With such a throughput rate, I have a real question as to whether students are really gleaning all they might from what looks like an excellent syllabus.
Standardize time frame for getting Project results to student. Some feedback for failed projects - even if it is fairly generic. More practice exams available for FAP 1-5 exam.
I'm not exactly sure how the end of module exercises are graded, or if they are ALL graded, but I would suggest at least a review of all end of module exercises in order to weed out those who may be trying to slip by with subpar work.
A lot of comments that the material is too broad when normally at this stage of the game, students are generally focusing on a certain discipline. The general broad materials would be more useful in early stages.
Flexibility in how modules are completed/administered so students need not be at a computer while studying, i.e., students need to be at either a work or home computer to study. Additionally, structure does not ensure that student completes all reading prior to performing module exercises; possible solution is to require students to pass an end-of-module test in addition to current exercises
There is too much flexibility. It needs to be more organized and more structured and there needs to be an actual grade involved. It is viewed as a "joke".
Revise the content to make it more relevant to all areas of practice instead of focusing 70% on insurance. Stop recommending that students start FAP before finishing the first few exams--without actual work experience, less will be gained from FAP. Improve accountability that people are actually reading through the modules. Students have learned that you can skip to the end-of-module exercises without reading and still pass without a problem. Edit the material much more carefully--currently it has many typos. Remove duplicate readings, especially in Module 2. Remove

readings that review material from prior modules--it can be re-read as necessary. Add more interesting and recent material. Cut down on the number of control cycles covered. The basic cycle is useful. The others appear artificial. Control cycles in other disciplines seem irrelevant and not very profound. Make the directions for the end-of-module exercises less prescriptive. In a real job, one is rarely given a detailed template with step-by-step instructions. In addition, micromanaging how the results are presented is quite frustrating. Make the end-of-module exercise directions clearer. Remove the errors from the end-of-module model solutions. Provide feedback on the end-of-module exercises so that students can learn what they are doing well vs. poorly. Increase the difficulty of the Final Assessment. The high pass rate devalues the ASA and gives typical students little incentive to take the assignments seriously. Add more problem examples, not business cases. Make the pdf's of readings more legible. Hope the SOA develops more FAP Final Assessment projects instead of giving everyone the same project but different tasks so that people working in groups do not have an opportunity to collaborate. Disappointed with the questions, as some appeared to be buried deep in footnotes. Remove math questions from old exams. FAP Exam 1 needs more tailoring to better address the myriad of lessons in modules 1-5, or maybe the SOA needs to release more sample problems here.

Reduce the length of some modules, in particular Modules 2 and 3.

Better, more timely feedback on end of module projects. Projects more relevant to readings. More formal evaluation of module projects.

FAP seems to be geared more towards college students and early entrants into the actuarial profession. It is not as helpful for students with previous work experience. The content of the FAP modules is not as academically strong as the exams it replaced. More timely release of courses (for future updates).

-Feedback on Final Assessment and end-of-module exercises. -Different Final Assessment for 2nd attempt. -Final Assessment should be shorter to that there could be a more controlled environment. -Ability to easily print all of the files at one time. -Everyone should get the same models in the Final Assessment.

Some of the reading can easily be condensed. Some, especially the tax .pdf, were very boring and not helpful to someone without any context. There are several duplicate readings and some of it is over-done. Make the FAP more practice specific. The course is sometimes too broad and attempts to cover too much material. People may skim through or not look at most of the readings because there are too many.

SOA needs to deliver on promised timelines. SOA time estimates for completion appear to be understated.

Exam should be more thorough - increase case studies - make exercise questions more understandable and objective - module 1 contains some non-practice specific information that is historical, and although some history is good, this was perhaps not as relevant - some background readings are quite lengthy and non-related - would like to see more case studies/exercises rather than reading lengthy PDF readings

Exam 1 should more closely relate to the Mod 1-5 readings - reduce duplicate readings - reduce ambiguity in instructions - clarify what is already done for the candidate.

I'm not that familiar with the FAP content. I am concerned about the pass rate for the FAP courses. This is content for which students should demonstrate knowledge at a more rigorous level.

Some comments received were: Get rid of readings that repeat material covered in previous modules. Make it more difficult - seems to be geared toward someone with 0-2 years of experience. Learned more under previous exam structure.

More stringent validation of end-of-module exercises; checking randomly doesn't look serious and makes it appear too easy to pass. Does everybody pass, by the way? Announce the percentage of

students who passed / failed the modules, the exam and the final assessment.

One student in our program commented that someone could fly through the modules and pass the exam and that person would not get the same benefit as someone who actually went through the modules to learn. Not sure how to remedy this, but it appears as though you get what you put into the modules.

Appendix J: Additional Comments

Additional Comments (advantages and/or disadvantages of e-Learning as a delivery method for content, modules, FAP Exam 1, FAP Final Assessment, exam/final assessment supervisor responsibilities, exam software, etc.)
The student can go at its own pace and do it whenever. They also see some progress (versus the "all or nothing" of an exam).
e-Learning is more flexible, etc, FAP has all of the advantages of e-Learning.
Until there's a meaningful pass rate (my understanding is that few fail) it's not a useful tool.
I answered "do not know" to several questions. Only 2 have gone through FAP here. They both noted that travel time was much longer than they were led to believe. Neither has commented about any improved work habits or techniques.
I still feel that traditional exams should remain the foundation of the actuary's education. I have heard students say that they've not had to try as hard to pass the FAP, and as a result perhaps retained less. It's fine to have this as part of the overall program, but it should still be a minority part.
We have several students in the FAP process but none have completed it. Since I got the following message when I left that question blank, I choose 1-10. With actuaries answering this, I would have expected an option of none or 0-10. "The following fields were found to be empty. Please fill them in or select an option as they are mandatory. Approximately how many of the actuarial students employed by your entire company/organization have completed the Fundamentals of Actuarial Practice (FAP) course?"
I think the e-Learning is good, but I think the exams are viewed as a joke due to the very high pass ratios. Especially as I have witnessed a few individuals that really struggled with courses 5&6, but had no problems with FAP. These individuals will attain their ASA, but will most likely not attain their FSA.
Very nice.
As a company, we wonder how other companies are handling the speed of time to the designations. Is the marketplace for ASAs going to change - its obvious the experience level of a new ASA today is much different than that of an ASA a year and a half ago.
The flexibility and on-demand aspect, especially of the Final Assessment, seem to advantages. The travel time to becoming an ASA has definitely been shortened.
I like the e-learning approach.
Stop changing the education system. It is extremely frustrating and many of my colleagues have stopped taking exams entirely as a result of the constant change.
Students like the FAP study routine rather than memorizing formulas and lists. However, rigorous testing is a cornerstone of Actuarial Education and I think exam 1 has weakened that. The FA is good, but students are spending times over the SOA estimates on it. Also, it sure seems like the open posting on the forums makes any individual efforts suspect.
The deadlines for fees should be consistent with the reality of the student experience. Having to pay for an exam that a student may or may not need awaiting past results, even with the potential for a full refund, can't be the most efficient process.
Some of the students dislike the e-learning, but I think it's an improvement over an exam for education purposes.
I think the whole process is good regarding accessibility, more frequent exams, and quicker turn around times.

The final assessment time off for exam could put a burden on company's as the student is out of the office for 2 full days (plus their time off) to complete the exam,
I'll admit I was skeptical about the modules, but they seem like a very useful tool.
I just have a general comment - I applaud the SOA for developing the FAP - I think the explicit focus on the actuarial control cycle is a useful part of candidate's education.
E-learning is well received. Must be very careful to avoid moral hazards and to ensure students are truly learning.
We are trying to adjust our exam salary increases to be "fair" and "relevant" based on the amount of time the exam (or modules) take and the difficulty associated with such. We'd be interested in knowing how other companies are handling the FAPs with respect to compensation. I think we are a bit "heavy" on our structure currently for the FAPs.
I sent questions 25-36 and 41 to the seven students at our company that have completed the entire FAP. So please note that this is a biased sample of only successful candidates who have proceeded relatively quickly. Consequently, this likely underestimates the time requirements of our average student. I do not need to discuss further with an SOA staff member, but I provide my contact info in case someone from the SOA wants to contact me.
Some feedback regarding the reason(s) for failure should be provided to candidates who fail the final assessment, otherwise they are more likely to repeat the failure. NOTE: this response was prepared jointly with others at my firm who also received the link to the survey.
Advantages Ability to update content Online forums Disadvantages Need for high-speed internet access to study at home Always having to be online, or having to print materials.
The meaningfulness and integrity of the FAP Final Assessment is questionable, since the candidate has the opportunity (and is encouraged) to involve others in the derivation of the solutions.
Advantage - flexibility. Disadvantage - Printing all the files was very time-consuming.
FAP Exam I is EXTREMELY easy. Something should be done to increase the difficulty level. Employees are concerned at the ease with which they achieved their ASA designation. They feel as though after completing the preliminary exams, the FAP course is just a formality to receiving an ASA. The modules were much less stressful than an exam and it is nice to be able to work at your own pace, but they don't think it was difficult enough to warrant ASA designation. The exam process is meant to be difficult, and that difficulty has been one of the reasons actuaries are so highly regarded. People fear that the Modules have made it too easy to obtain the credential. They like the e-Learning, but are worried this is taking away from the value of an A.S.A.
Corporate firewalls provide HUGE hurdle to working with exam software!
Very positive that there were no problems/glitches in using the FAP website to write exam and complete modules - it took a while to get approval/response for each end-of-module exercise which delays registration for Exam 1 or Final Assessment
Let advisors know their responsibilities - some feedback on the paper, at least for those who failed, details are not required.
E-learning is fine, but the testing appears to not be very challenging. This waters down the value of the ASA designation as well as the FSA.
Comments received: Delivery system is good. Sense of accomplishment when complete a module. Perhaps have a CBT exam for every two modules rather than projects.
Please modify your advertised estimates of 30-50 hours needed per module. The average seems much higher than that (40 to 75???)

The exam software has been our only large issue with FAP. The company requires testing of the software prior to each exam, and we need our own version. Given the timing of the updates to the software, it is difficult to turn around given internal processes. Has any thought been given to having testing centers for this, similar to Course P?