

RECORD OF SOCIETY OF ACTUARIES 1977 VOL. 3 NO. 2

POST FELLOWSHIP PROFESSIONAL DEVELOPMENT

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1. What are the implications of the requirements for the enrollment of actuaries with regard to post-Fellowship professional development?
 - a. Do the standards for enrollment require post-Fellowship professional development? If not, should they?
 - b. To what extent is it reasonable for the government to rely on the rule that "an actuary will undertake an actuarial assignment only where qualified to do so"?
2. What are the continuing education requirements of other professions?
3. What continuing education is now available to actuaries?
4. What are possible future developments in Continuing Education?

MR. ROWLAND E. CROSS: My principal contribution to this discussion is to put before you a few questions which the enrollment process has brought up, and on which we on the Joint Board would like the benefit of your thinking.

The Joint Board's primary function is to enroll actuaries, not to set up or conduct training programs to see that applicants meet minimum standards in the first place, nor to see that enrolled actuaries stay on top of new developments in the pension actuarial field. To some extent our requirements may mean that certain FSA's, and probably most ASA's, will have to take one or more Joint Board examinations before they can be enrolled, and this could well suggest "going back to the books" to get up to date on the contemporary situation.

Our concern today, however, is more with the actuary once he/she is enrolled, and how we in government can be assured that the public is able to rely on the expertise of those signing certifications attesting to the sufficiency of the valuation and the appropriateness of the process. As our regulations presently stand, enrollment is for a 5-year period, after which it must be renewed, but this renewal is automatic and is not conditioned in any way on continuing education, passing new examinations on recent developments, or even just keeping active in the field. The law itself does not explicitly authorize any such screening at the time of renewal, but there may be grounds for believing that the Joint Board would be entitled to impose at least some requirement, if it should feel that its regulation that "an actuary will undertake an actuarial assignment only when qualified to do so" does not give the public the protection it should have.

My own preference is for one or more continuing education programs, perhaps along the lines to be described by my fellow panelists. While presumably these, or at least some of them, could be run under the aegis of the Society, it would be up to the Joint Board to "accredit" them if participation were to count toward entitlement to renewal. This is analogous to the process,

now under intensive discussion by the Joint Board, by which various examinations of the Society may be accepted in lieu of the Joint Board examinations, provided they cover substantially the same subject matter and require comparable levels of performance.

Alternatively, to those who think their regular practice is as good as, if not better than, any formal courses, the Board might offer periodic mini-exams to test whether new developments have indeed been adequately mastered. Passing one or more of these from time to time could be accepted in lieu of going to institutes, seminars, and the like.

Let me emphasize that all this is entirely speculative at the present time. Maybe the "once-an-enrolled-actuary, always-an-enrolled-actuary" principle is what we should be prepared to live with. But if the actuarial profession is to keep pace with the times, and if, as I understand, our friends in law and accounting are already moving toward more specific requirements for continuing education, I believe this may be for us as well an idea whose time has come.

MR. PETER W. PLUMLEY: When I was first asked to appear on this panel and discuss the subject of the continuing education requirements of other professions, I decided to start by substituting facts for appearances. Therefore I wrote to several large professional associations asking them about their programs of continuing education for their members. Based on their responses, I can assure you that continuing education is an increasingly important function for many professional associations, and that an increasing number of them are considering some type of mandatory program.

It would not be possible within the time allotted to describe very many continuing education programs. Therefore, I would like to concentrate on four associations which have particularly extensive continuing education programs. These are the American Bar Association, the American Dental Association, the Manufacturing Engineering Certification Institute, and the American Institute of Certified Public Accountants.

First, let's discuss the American Bar Association, the continuing education which is available to lawyers, and the requirements for mandatory continuing education which have recently emerged in certain states. The American Bar Association has two major continuing legal education activities. These are called the National Institute Program and the Consortium for Professional Education. The National Institute Program is a series of lectures and seminars sponsored and organized by the various sections of the ABA. The Consortium for Professional Education produces high quality audiovisual and print materials for the use of state and local continuing legal education organizations and bar associations. In addition, there are various other sponsors of continuing legal education programs, such as the Practicing Law Institute and the various law schools around the country, to name a few. Time does not permit an extensive discussion of these various continuing legal education sponsors, except to state that if a lawyer wanted to do so, he would have no difficulty attending continuing legal education programs constantly throughout the year.

This is particularly true in California. During fiscal year 1974-1975 the California Continuing Education of the Bar enrolled 58,000 persons in its oral presentations. The total membership in the California Bar is only

44,000, so that on the average each member of the California Bar attended a continuing education program about one and one-third times during the year. In order to provide this service, the California Education of the Bar has an annual budget of four million dollars, and employs more than 100 persons, including 24 attorneys. If the Society of Actuaries, which has approximately one-eighth as many members as the California Bar, were to put forth the same effort, it would need a continuing education budget of one-half million dollars, and would have to employ about a dozen people, including 3 members of the Society on Continuing Education alone.

Since 1958 there have been at least 4 national conferences devoted to the subject of continuing legal education. The conclusion of each of these conferences was that continuing legal education is both necessary and important if the American public is to receive the highest quality legal services. Many states are now taking steps to up-grade the quality of legal services which will necessarily increase the need for continuing legal education. Also, the Bar is organizing procedures to recognize legal specialists; in some states, including California, attendance at continuing legal education programs is a prerequisite for certification for most specialties.

This brings us to the subject of the continuing legal education required by certain states. As of the time the report on the last national conference on continuing legal education was published, which was 1976, there were 4 states which had mandatory continuing education requirements for lawyers. These were Minnesota, Iowa, Wisconsin, and Washington. I think it might be instructive to review the rules which apply in one of these states, and I have arbitrarily picked Minnesota. I might add that the rules are similar in the other states.

The purpose of the continuing education rules was stated as follows: "It is of primary importance to the members of the Bar and to the public that attorneys continue their legal education throughout the period of their legal active practice of law. These rules will establish the minimum requirements for continuing legal education."

Under the rules, any attorney admitted to practice in Minnesota and desiring active status must make a written report within 60 days after the close of each 3 year period. This report must be accompanied by proof that he has completed a minimum of 45 hours of course work, either as a student or as a lecturer, in continuing legal education in approved courses within the 3 year period just completed. In other words, he must on the average attend 15 hours of continuing education programs each year.

There is also a provision that an attorney may request restricted status and not be required to meet continuing education requirements. However, if he is restricted, he may not represent any person in any legal matter except a full-time employer or various relatives. Thus, an in-house attorney does not need to meet the continuing education requirements. Failure to satisfy the continuing education and reporting requirements will result in being reported to the Supreme Court for what is termed "appropriate disposition."

The rules also have various specifications as to the type of continuing education which is suitable for credit. These rules are as follows:

1. The course shall have significant intellectual or practical content.
2. The course shall deal primarily with matters directly related to the

- practice of law, or to the professional responsibility or ethical obligations of the participants.
3. Each faculty member shall be qualified by practical or academic experience to teach the subject. Legal subjects should normally be taught by lawyers.
 4. High quality, readable, carefully prepared written materials should be distributed to all participants wherever practical.
 5. Participants must attend courses in a suitable classroom or laboratory setting devoted to the educational activity of the program. Home study, via TV, etc., is not permitted.
 6. No credit will be given for speeches given at luncheons or banquets.
 7. Credit is awarded on the basis of one hour for each 60 minutes actually spent in attendance at an approved course.

Before I move to the requirements of other professions, I should emphasize that the continuing education requirements that I have been discussing are not those of the American Bar Association. They are those of four state licensing bodies. In other words, it is not the Association of lawyers which is requiring continuing education; it is the governmental organization which licenses those lawyers to practice in that state. A comparable situation for actuaries might be to have the Joint Board for the Enrollment of Actuaries require continuing education to maintain enrollment.

Another profession which has extensive continuing education opportunities and requirements is dentists. Here there are two different types of required continuing education. The first type of required continuing dental education is that required for license renewal by the states. There are at least eight states requiring continuing education for renewal of licenses for dentists and dental hygienists. The second is that required by the professional associations of dentists. Although the American Dental Association itself does not require continuing education for maintenance of membership, a number of the state dental societies do.

First, regarding relicensing by states, I obtained some detailed information for six states--California, Kansas, Kentucky, Minnesota, North Dakota, and South Dakota. Each of these states requires a certain number of hours or units of continuing education over a period of years, the period varying from two to five years. The annual number of hours varies from 10 to 30, depending on the state. Acceptable courses vary somewhat by state, but can include study clubs, college postgraduate courses, scientific sessions at conventions, research, graduate study, teaching or service as a clinician, and certain other types of continuing education approved by the Board which oversees the program.

Perhaps of more significance than the fact that there are eight states which currently require continuing education for relicensing of dentists is the fact that of those which do not presently have such a requirement, 26 have indicated that they are considering establishing one. Furthermore, the relatively few states which presently indicate no interest in such a program are primarily the less industrialized ones.

There are also about 7 State Dental Associations which have continuing education requirements if a dentist is to retain his membership in the state association, and a number of others are considering such a requirement. Again, these requirements vary somewhat by state, with the number of hours per year varying from 12 to 35. In each case, procedures have been established for

record keeping, and the dentist is required to keep a record of his continuing education and to submit it for approval in order to meet his requirement. In this regard, the December, 1976 issue of the Journal of the American Dental Association catalogues the continuing education programs offered during the first part of 1977. There are 32 pages of courses listed, and I might add that the type used is very small. This listing includes the nature of the course, the location, the dates, the names of the faculty participating in it, the persons for whom the course is designed, and the fee required for the course.

I might briefly mention another organization which provided information, the Manufacturing Engineering Certification Institute. This association requires recertification every three years by one of two methods. The first of these is to become involved in a professional credit plan, under which credits are awarded for participation in continuing education activities. The alternative, which I find rather interesting, is to retake a portion of the examination in one's field of specialty. The credit plan alternative requires that the person complete a minimum of 36 professional credits during a 3 year period. One credit is received for each hour of actual attendance at a course which is approved for continuing education. Credits can also be earned for presentation of technical papers, for certain home study programs, and for certain types of study and instruction arranged through one's employer.

The final association I would like to discuss is the American Institute of Certified Public Accountants. In response to my inquiry, they sent me a 170-page catalogue of their continuing education programs. It is a very impressive catalogue, and indicates a real dedication to the concept of continuing education.

The AICPA does not itself have any mandatory continuing education requirements; however, 24 states do have such requirements, with the details varying by state. The AICPA catalogue lists the credit recommended by them for each course toward meeting the state continuing education requirements.

I have described the continuing education programs of four professions. I hasten to point out that I have not described the programs, or lack of programs, for many professions which have not been so ambitious. In this respect, I have presented a distorted view. Nevertheless, we should be asking ourselves what the growing emphasis on continuing education, both voluntary and mandatory, means to the actuarial profession.

I certainly do not advocate a continuing education requirement for the actuarial profession merely because it is done in certain other fields of endeavor. Our problems and their solutions are not the same as those of the lawyers, the dentists and the engineers. Nevertheless, we are living today in a world which is changing much more rapidly than in the past, and we are also living in an environment where if a person does not practice his profession competently, he is under a much greater risk of legal liability. Therefore, I think it is important for the Society of Actuaries to be aware of these matters, and I am pleased to have had this opportunity to discuss continuing education here today.

MR. LEROY B. PARKS, JR.: The needs and demands of a profession mandate the constant updating of the knowledge, skills and tools of its practitioners. In our actuarial profession, the field has changed so rapidly that continual

study is essential in order for actuaries to meet the requirements of their ever-changing assignments. Significant changes in our profession have occurred as a result of such developments as GAAP accounting, the Pension Reform Act, and variable insurance and annuity coverages.

The report from the original Committee on Continuing Education, chaired by C. L. Trowbridge, stressed the necessity for continuing education, above and beyond the attainment of the FSA designation, and indicated that the need may be expressed in several ways:

1. The need for all professionals to keep abreast of a rapidly changing field, and to acquire and put to use new knowledge as it emerges.
2. The need for actuaries to dig deeper into any of several fields of actuarial specialty, as vocational pressures or individual inclinations push actuaries to shift their emphasis.
3. The need for actuaries to broaden themselves beyond the areas of knowledge in which they have been especially trained.
4. The need for the older FSA to keep up with the changing syllabus on which newer members have been trained.
5. The need for the new FSA to have a channel along which to direct his/her further professional education.

The observation of the Trowbridge Committee seems as valid today as it did when it was written some eight years ago.

The continuing education function of our profession is constantly competing, perhaps unsuccessfully, with other areas of actuarial concern. As a consequence, formal continuing education activities tend to take a backseat to other pressing demands. In recent years, the actuarial profession has devoted a great deal of time and energy to such subjects as the following: reorganization of the actuarial profession in the U.S. and Canada, revision of the Associateship and Fellowship examinations, consideration of an alternate route for obtaining credit for Associateship, analysis of proper professional conduct and development of guides and codes of conduct, establishment of actuarial principles and recommendations, activities in the interest of obtaining recognition and accreditation, and relationships with other professions.

Acutely aware of the desire and need for post-Fellowship education, the Society of Actuaries established a committee to coordinate and motivate activities in this area. The original impetus for the Committee on Continuing Education arose from the Report of the Committee on Future Course of the Society which was presented to the Board of Governors nearly 10 years ago. That committee, chaired by Walter Klem, recommended that "a Committee on Continuing Education be formed by the Society charged with the responsibility for furthering such education in all possible forms".

The Klem Committee activities led to the appointment in 1969 of the previously cited Committee on Continuing Education that was initially chaired by C. L. Trowbridge. That committee recommended the establishment of a permanent committee structured by identifiable specialty areas.

The ad hoc Trowbridge Committee was replaced by a permanent committee of the same name in 1970, and in 1972 the official name of the committee was changed to the Committee on Continuing Education and Research to reflect the activities performed by the Committee on Research. I was fortunate enough to serve

as the General Chairman of the Committee from 1973 to 1975.

The general purpose of the Committee on Continuing Education and Research is the furthering of the education of the actuary in all possible relevant areas and by any possible means. Needless to say, this represents a rather formidable assignment and challenge for the committee.

The specific responsibility of the committee is stated in its charge as set forth in the year book which reads in part as follows: ". . . the development of continuing education and research. . . including literature search and revelation, encouragement of new literature, and the planning of appropriate seminars and meetings."

The general Committee on Continuing Education and Research is divided into eight specialty areas: Computer Science; Economics and Finance; Health Insurance; Life and Health Corporate Affairs; Life Insurance and Annuities; Research; Retirement Plans; and Social Insurance. The last specialty area, Social Insurance, was added to the Continuing Education structure in 1975, and reflects the Society's growing concerns regarding the need to disseminate information about the actuarial and financial aspects of the Social Security program in the United States.

The Committee on Continuing Education and Research, which is staffed by some 75 members of the Society, has been involved in the planning and executing of a wide variety of activities during its brief seven-year history as a permanent organization. The major areas of involvement include the following:

1. Planning of seven spring specialty meetings of the Society which has been one of the more popular and time-consuming activities of the committee. The first such meeting was held in Des Moines in 1971 on the topic of adjusted earnings. Since then, meetings have been held on such topics as retirement plans (twice), marketing, health insurance, financial security, and most recently, corporate affairs.
2. Preparation of articles for the "To Be Continued" column of The Actuary.
3. Review of books on actuarial subjects for publication in the Transactions, the Record or The Actuary.
4. Review of certain papers submitted for publication in the Transactions.
5. Presentation of concurrent sessions and teaching sessions at various Society meetings.
6. Publication of several bibliographies in selected specialty areas. Within the recent past, various Continuing Education Committees have produced reading lists in the areas of computer science, retirement plans, GAAP accounting, corporate modeling, taxation, performance measurements, inflation, forecasting rates of return, and various research topics.
7. Planning of research conferences, jointly sponsored with various universities.
8. Publication of ARCH; for several years, the Research Committee has brought together research papers on a wide variety of subjects and published them in the Actuarial Research Clearing House.
9. Liaison representation on the Advisory Committee on E&E, the Program Committee, the Committee on Papers, and the Board of Publications.
10. One-day Pension Seminars recently held in three cities.

As we are all aware, many other activities of the Society are directly related to the continuing education function. One obvious example is this meeting, and all meetings sponsored by the Society. Other excellent areas of continuing education include the following: publication of the Transactions, the Record, and The Actuary; preparation of papers; establishment of the study note service; development of textbooks; services of the libraries of the Society of Actuaries and the Insurance Society of New York which contain some 70,000 books; and activities of local actuarial clubs.

The Society is presently expending a considerable amount of time and energy in the area of continuing education. Yet, a great deal more could and should be done. Since our profession, unlike many others, depends upon its own resources to train and qualify its members and to continually educate them, it is difficult to imagine that, under the present structure, the actuarial profession will ever have as ambitious a continuing education program as that of some other professions. However, the Society should strive to improve and expand the present program. This can be accomplished primarily by making some of the present activities more effective and also by embarking upon new areas of continuing education. Among possible desirable developments are the following:

1. More effective meetings. The cause of continuing education would be better served by placing greater emphasis on seminars, specialty meetings and teaching sessions, as opposed to sessions of a more general and less educational nature.
2. Greater effort in identifying and filling the gaps in actuarial literature. Some progress has already been made in this area; for example, the Trowbridge-Farr textbook on pensions. However, it would be quite worthwhile for the Society to encourage the publication of more books and papers.
3. Increase educational activities of actuarial clubs. Some clubs (New York City Actuarial Club being a good example) have devoted much effort to continuing education activities, and the Society might consider working more closely with actuarial clubs to spur more action in this area.
4. Offering of post-Fellowship courses by either the Society of Actuaries or by universities. It might be appropriate to consider the establishment of formal courses that would cover specific areas of actuarial expertise. Presumably, the members of the Society would not favor compulsory courses or post-Fellowship examinations.
5. Expansion of the study note service. From my own personal experience, the study note service is extremely valuable to practitioners in our profession, and it would seem desirable to have that service reach more members of the Society.
6. Activities of the new Actuarial Research and Education Fund. The Board of Governors of the Society recently established a committee in the interest of creating a fund for carrying out research and education projects in the field of actuarial science. This activity may be of assistance in further developing continuing education within the Society of Actuaries.

Although our past efforts in the area of continuing education have been admirable, if we as a profession are going to successfully equip our members to meet the challenges of the future, more work is vitally needed in the area of continuing education.

MR. OREST T. DACKOW: My comments will fall under three headings: the role of the Society's Committee on Professional Development; the continuing education activities of the Canadian Institute of Actuaries; and the continuing education activities of other professions in Canada.

The Board of Governors of the Society has assigned to the Committee on Professional Development the particular responsibility of "enlisting" new Fellows into the activities of the Society. In addition, the Board of Governors has agreed that it would be desirable for there to be cross appointments of Committee on Professional Development members with other relevant committees of the Society. The cross appointments are intended to serve in future years as a means of alerting the Committee to areas of activity within the Society where professional development problems and opportunities might exist.

Historically the objective work of the Committee has been limited to the development and implementation of a New Fellows Session at Society meetings. This work has been met with generally favorable reaction. As would be expected with any relatively new venture, a number of initial "bugs" have appeared. The committee is working on these and it is expected that the quality of future New Fellows Sessions will be further improved.

The assignment with respect to enlisting new Fellows is being concentrated on by the committee in the short term. The committee is developing a questionnaire for distribution to new Fellows (and others) in order to elicit information as to their interests and strengths and to encourage them to support the work of the Society. It is entirely possible that this questionnaire would be distributed in the first year to all members of the Society in order to build up a data bank. This data bank could be used to determine candidates to serve in specific areas for the Society.

The committee is considering the possibility of developing and coordinating activities for new Fellows and Associates at the level of local actuarial clubs. In this area, the main focus would presumably be to encourage the local clubs to make new Fellows and new Associates feel at home and to provide opportunities for these new members to associate with other Society members.

My comments on the activities of the Canadian Institute of Actuaries in the field of continuing education are those of an individual member of the Institute.

The principal efforts in continuing education have been in the area of the format and content of Institute meetings. Council supported and encouraged the Program Committee in the addition of teaching sessions to the program and in the development of these meetings, the first one being on inflation in March, 1974. The Activity Planning Committee monitored the members' reactions to the meetings and relayed these to the Program Committee. It included several questions on program content in the Attitude Survey and these are covered in their report of March, 1975.

In addition, Council has continuously attempted to identify specific areas of new development, particularly on the legal or regulatory front. In these cases, Council has either formed new committees or mandated existing committees to develop "generally accepted actuarial principles" to cover the area involved. The following are examples:

1. The Council has directed the Committee on Private Pensions to develop and promulgate standards to be observed by members of the Institute in determining whether the actuarial assumptions and methods used in pension plans are within a range which, for the valuation of that plan, are professionally acceptable.
2. The Committee on Financial Reporting has been asked to make recommendations for proper actuarial conduct in life company reporting.
3. The Committee for Strengthening Disciplinary Procedures has been asked to make recommendations in this area.

In summary, the CIA Council is attempting to identify areas in which change is taking place, and is informing its membership of the principles to be used in guiding professional conduct in these areas. The maintenance or updating of the skills of individual practitioners remains the responsibility of the individual actuary.

There is a wide disparity in the extent of involvement of other Canadian professions in professional development. Some professions are very active in the area while other professions are virtually inactive.

Professional development seems most advanced in the professions with rapidly changing technology, particularly medicine and dentistry. Both of these professions generally have well established continuing education programs and active disciplinary procedures. The administration of the programs is usually done through a professional full-time resource staff, focused on co-ordinating the availability of updating sessions for practitioners. For example, both the legal and medical professions in the Province of Manitoba have full-time resource people co-ordinating continuing education programs. The full-time staff, in conjunction with professional practitioners, makes an assessment of what type of updating sessions would be of the greatest value to practicing professionals. The professional staff then searches out the most knowledgeable authorities in these areas and arranges for the presentation of updating sessions. The character of the updating sessions varies all the way from lecture sessions to sessions which are highly informative and heavily participant oriented. Generally speaking, the updating sessions are relatively short in nature, usually running from one-half day to no more than three days in duration.

There has been little movement toward the mandatory requirement of updating for maintenance of a professional license. The dental profession in the Province of Manitoba has adopted the requirement of attendance at a specified number of hours of updating sessions during the calendar year as a requirement for maintenance of licensing. To my knowledge, this is the only such situation in Canada.

Mandatory updating seems to meet substantial resistance by professional practitioners, primarily on the basis that attendance at updating sessions does not guarantee updating of practitioners' skills. It has been observed that until a means is found to measure the level of professional skills, no absolute assurance of a minimum level of practitioner skill can be given.

A highly personal observation would be that a number of the Canadian professions have realized that substantial development in the area of continuing education or professional updating will only be achieved by providing a full-time resource staff whose sole duty is the co-ordination of continuing education programs to members of the profession.