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## FEM Survey Results: Action on FEM Proposals

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In February 1987, the SOA Education and Examination (E&E) Committee distributed a White Paper on Future Education Methods (FEM), proposals on ways to integrate different educational methods into the SOA system. The White Paper contained a survey, asking SOA members and students to provide their views on the FEM proposals. The input received in response to the FEM survey played a significant part in the deliberations of the E&E Committee, the Education Policy Committee, and ultimately, the Board of Governors in determining how to proceed with respect to the FEM proposals. This article gives a brief summary of the FEM survey results and how the survey results influenced the action taken by the SOA governance.

Response to the FEM survey was gratifying; 2,301 surveys were received by the July 1987 deadline. Of these, 1,866 were from members, an 18% membership return. The membership respondent group overrepresented FSAs (65% versus 54% of membership), and underrepresented Canadians (14% versus 19% membership) and consulting actuaries (30% versus 35% membership).

Respondents presented a true diversity of opinion. While 66% had a favorable overall reaction to the educational approach represented by FEM, there was less agreement about some particular aspects of FEM and of specific FEM proposals. Respondents saw FEM as meeting the objectives of providing better education for actuaries and creating a system to attract and select those people best suited to fill the role of the actuary in the future (55% - 65%). However, a majority (55%) expressed doubt that the FEM proposals would enhance the value of the FSA.

Reaction to specific FEM proposals was varied. Favorable reaction to the educational value of Level 1 and Level 2 college courses and to the examinations of other organizations was not strong (41% - 53%). Reaction to external exams being awarded SOA credit was complicated by the presence of actuarial and nonactuarial

organizations in the proposal presented; comments suggested a highly favorable reaction to granting credit for examinations of other actuarial organizations. The remaining FEM proposals generated a more favorable reaction, respondents indicating a beneficial effect on education from the use of research papers (78% favorable), intensive seminars (73%), and the Fellowship Admission Course (84%).

The specific educational benefits of particular FEM proposals were endorsed by the respondents—84% agreeing that research papers develop research skills, 80% that seminars enhance practical techniques, 86% that case studies are valuable in teaching ethics, and 80% that management simulation exercises could help to integrate knowledge from diverse areas.

The FEM survey results were considered carefully by the SOA governance in determining how to proceed with FEM. Noncontroversial programs—the Fellowship Admission Course, the research paper option, and the intensive seminars were adopted without change. The proposal on examinations of other organizations has been split into its two components; the E&E Committee will recommend which specific exams of other actuarial organizations warrant SOA credit and will recommend, after careful investigation, which professional designations might be considered for small amounts of SOA credit. Proposals on Level 1 and Level 2 college credit received the most negative reaction from survey respondents. To evaluate whether college courses can provide an appropriate alternative qualification, the E&E Committee will proceed with a very tightly controlled, limited experiment based on the Level 2 proposal (e.g., subject matter limited to Courses 120, 130, or 135, evidence of clearly superior educational methods, course approved by SOA).

The FEM programs will be implemented in a careful and deliberate manner. Programs such as the Fellowship Admission Course and the intensive seminars require a great deal of developmental work; both programs should be in operation by 1990. The programs for research papers and examinations of other actuarial organizations may be finalized by the end of 1988; work will proceed more slowly on the implementation

of limited credit for nonactuarial designations, with careful scrutiny applied to determine whether a designation would qualify. A committee will be formed to direct and oversee the limited college credit experiment; formation of that committee will occur in the last quarter of 1988; the experiment might then commence with the 1989-90 academic year.

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## 1987 Report of Joint Committee on Role of Valuation Actuary Available

The new report by the Joint Committee on the Role of the Valuation Actuary in the United States, follows the Committee's 1985 Report, reflects on responses to it, and incorporates developments since then in both research and application.

In the fall 1987, the Boards of the Society and the Academy accepted the new report for release to interested members and other parties. Copies are available from either the Society or Academy offices. They also approved several significant modifications to the original report.

One is to suggest that an opinion of the Valuation Actuary on a company's reserves, and the adequacy of the assets supporting them, would continue to accompany the Annual Statement, but that the actuary's report on the overall assets would be provided only to management. The prior report included the latter in the Annual Statement supplement.

Another modification expands the approach to the appointment of the Valuation Actuary to include appointment by management as authorized by the Company's Board.