



SOCIETY OF ACTUARIES

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# THE Actuary

The Newsletter of the Society of Actuaries

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## Forecast 2000 forum generates substantial media coverage

by Robert L. Brown

The recent Forecast 2000 forum on the environment held in Toronto dealt with such issues as increased taxes and higher insurance premiums to cover costs of natural disasters. The forum generated a lot of positive worldwide media coverage and brought more focus on the actuarial profession, despite the somewhat negative tone the survey projected.

In discussing the results, based on a survey of casualty actuaries, a positive pro-active stance was emphasized with the media.

In particular, it was our contention that through insurance premiums, the business sector will see real economic incentives and rewards for being responsible corporate citizens with respect to pollution control (e.g. reduced premiums for safe, inspected storage facilities). Furthermore, we stressed that actuaries have an essential role to play in assessing the economic value of the pollution liability risk, both in setting equitable premiums and also in assisting the courts in adjudicating penalties in cases of damage or injury.

Before the July 11 Forecast 2000 seminar, actuaries with a particular interest in the topic were polled on a series of relevant questions. In this case, the response was from 332 property/casualty actuaries (out of 1200 polled). Questions varied from the effects of a catastrophic natural disaster to concerns about environmental pollution. The results of the survey, which acted as the focal point

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## Continuing education: The debate goes on and on

by Burton Jay

Should actuaries have a formal program for continuing education? This question has been asked, studied and debated at least since the early part of the decade. For many years, accountants, physicians and lawyers of many states have had continuing education requirements to retain their license to practice. Many other professions, including some groups of life insurance agents, require their members to participate in continuing education activities or in some way recognize those who do. Where are the actuaries?

The topic was on the agenda of the Society's Services to Members Policy Committee as early as 1983.

In 1984, a joint task force representing the actuarial bodies in North America was formed to consider the question. In a September 1985 report to the Council of Presidents (COP) the task force recommended that each founding organization of the Academy

adopt a similar continuing education recognition program. The Conference of Actuaries in Public Practice (CAPP) was already in the process of adopting a program similar to the one envisioned by the joint task force. That program would have recognized – with an asterisk or other designations in the organization's yearbook – those individuals who fulfill the required hours of continuing education and submit documentation to the organization's administrative offices. The American Society of Pension Actuaries has also had such a program for a number of years.

Another type of program involves specified continuing education requirements to retain one's professional designation. The Joint Board for Enrolled Actuaries recently implemented a program that members must fulfill to retain their Enrolled Actuary designations. The COP deferred action

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### Continuing education cont'd

on the 1985 task force report. The topic was then brought up to the SOA Board of Governors for consideration. After debating the question for about two years, the Board concluded that the Society is in the business of providing continuing education but should not require or formally recognize it.

Near the end of the period of SOA Board debate, the Academy formed a task force to consider a recognition program for its members. The ball had been passed to yet another group; however, it should be remembered that some individuals participated in the deliberation and development work for more than one group. The Academy's task force designed a continuing education recognition program, similar to the CAPP program, and distributed a discussion memorandum describing the program to its membership in September 1987.

With the memorandum, the Academy mailed a questionnaire to determine the membership attitude toward such a program. Although 76% of the respondents supported the general idea, the task force concluded that there was substantial resistance because 95% of those who were opposed provided additional comments elaborating on their opposition. Only 66% of those in favor provided comments. In response to the questionnaire results, the Academy's task force took a new direction and developed a proposed continuing education requirements program to accompany initial qualification standards for those performing public functions requiring a statement of actuarial opinion. The document describing this program, which has been approved by the Academy Board, was mailed to the Academy membership in June 1989. It states, "Guidelines for minimum acceptable continuing education activities will be published in the *Yearbook* accompanying the section on qualification standards."

This spring, SOA Board members noted that the Academy's program applies only to a small percentage of actuaries, those performing public functions where an opinion is required by law. The Board asked its Continuing Education Policy Committee to reconsider whether the Society should develop a program applying to all SOA members. This Committee returned to the Board at its May meeting with an affirmative recommendation. However,

Academy representatives present asked that the Academy's Board first be given another opportunity to consider a more global program for the profession under the premise that the Academy is the more logical body to implement and administer a continuing education recognition program for U.S. actuaries. (The Canadian Institute of Actuaries has recently committed to developing a program for Canadian actuaries.) The Society Board agreed, and the Academy is forming a new task force, with representatives from all U.S. actuarial bodies, to consider such action.

Those of you who have had the patience and endurance to complete this article will undoubtedly share a sense of confusion and frustration. You may wonder where the merry-go-round will stop, or if it will. As one who has been close to these activities for nearly a decade, I share those feelings much of the time. However, this is clearly an important issue for many of our members, and opinions vary widely and are often strongly held. Maybe the next trip around the circle will bring us a program. Then again, it may be only the next in a continuing series of episodes. The only prediction that I would make is that the issue will not go away until or unless a program applying to most or all actuaries is in place. Can you imagine reading an article twice this long 10 years from now?

Burton Jay, an SOA Vice President, is Executive Vice President and Chief Actuary, United of Omaha Life Insurance Company.

## Election Committee invitation

The Committee on Elections is beginning the preparation of the first ballot for the 1990 election. On that ballot, Fellows are asked to nominate up to six FSAs for Board of Governors' positions. To aid them, a list is provided of those who are eligible for election and have met specific criteria for committee and other service to the profession. Fellows who have the experience, interest, and time to serve on the Board of Governors may submit their names for consideration. They are cordially invited to summarize their accomplishments and background in a letter to Gary Corbett, Chairperson of the Committee on Elections, at his *Yearbook* address before December 15.