

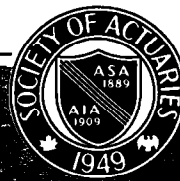


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THE Actuary

New ASA requirements go into effect in 1995

by Walter S. Rugland
SOA President

At its January 1993 meeting, the Board of Governors approved the strengthening of educational requirements for the Associateship level from the current 200 credits to 300 credits. The change will take effect in July 1995. Anyone who has earned the ASA designation before then will not be affected. Although not required, candidates who anticipate completing ASA requirements before July 1995 may elect to qualify for Associateship under the new requirements, which allow credit for an expanded list of elective courses.

Requirements for Fellowship will not change.

Details of changes

The additional 100 credits required for ASA come from the current core Fellowship exams — 200, 210, 220, and 230. Adding these courses to the Associateship syllabus means that candidates will not only be well grounded in mathematical methods but also will demonstrate an understanding of a range of basic practice-based courses in financial security programs, financial management, and general actuarial practice. In addition, while courses totaling 155 credits currently required for Associateship will remain in place, the options available for earning the 45 elective credits will more than triple. Candidates should find these changes particularly attractive, since they will allow candidates to gain exposure to the more practical aspects of actuarial practice early in

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Reflections on leadership

by David M. Holland

*"Would you tell me, please, which way I ought to go from here?
"That depends a good deal on where you want to get to," said the Cat.
"I don't much care where —," said Alice.
"Then it doesn't matter which way you go," said the Cat.*

Alice's Adventures in Wonderland

Going from where you are to where you want to be is the challenge of management; leadership involves bringing others with you. Leadership should not be a random walk, but a carefully planned journey. As the Cheshire Cat reminds Alice, the way you should go is dependent on where you want to get to.

A leader should have a vision of how things should be. Contrary to Alice's wanderings in Wonderland, someone who takes the responsibility of leading others should care passionately about the ultimate destination.

"Before I draw nearer to that stone to which you point," said Scrooge, "answer me one question. Are these the shadows of the things that Will be or are they shadows of the things that May be, only?"

A Christmas Carol

A leader's sense of vision shows the things that will be if certain paths are followed. That vision of the future may not be pleasant. Scrooge's glimpse into the future convinced him to change his course to change his destination.

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New requirements cont'd

the examination process.

Current elective courses now include:

- Mathematical methods, such as operations research, numerical methods, demography, and graduation
- The recently added CAS Part 4B on credibility theory and loss distributions
- Intensive seminars in applied statistical methods and risk theory.

New elective courses available in addition to those previously mentioned include:

- Courses from the Fellowship 300 series
 - several basic pension exams, including EA-1, Segment B, and EA-2
 - design and distribution of group benefits
 - survey of actuarial practice in individual life insurance and annuities
 - life insurance law and taxation
 - financial management
- Three casualty exams — CAS Part 3B, Part 6, and Part 7 (See box for course descriptions.)
- The 30- credit research paper

Advantages of changes

What these changes mean for both candidates and employers is that candidates not only will have mastered the mathematical core that actuaries need but also will have a stronger practical foundation.

By the time candidates complete Associateship, they will have a portion of what they need for their FSA specialty areas. The number of specialty credits (90) remain the same for Fellowship, so if Series 300 courses are used as electives toward ASA, FSA candidates must subsequently replace them with other electives.

Attention pension students

Pension actuaries should be aware of the need to take core courses earlier in the exam process under the new requirements to become ASAs. U.S. pension candidates in particular have tended to defer writing what now will become part of the Associateship core exams. If that pattern continues, some pension actuaries may find themselves becoming Associates and Fellows at about the same time.

The box outlines the required courses and elective options that will satisfy the strengthened requirements for ASA.

ASA Course Description

Required Courses	Description	Credits
100	Calculus and Linear Algebra	30
110	Probability and Statistics	30
120	Applied Statistical Methods	15
140 or 141	Mathematics of Compound Interest/ EA-1, Segment A	10
150	Actuarial Mathematics	40
151	Risk Theory	15
160	Survival Models	15
200	Introduction to Financial Security Programs	30
210	Introduction to Actuarial Practice	25
220	Introduction to Asset Management and Corporate Finance	30
230	Principles of Asset/Liability Management	15

* * *

Candidates must attain 45 credits from elective courses.

Elective Courses	Description	Credits
130	Operations Research	15
135	Numerical Methods	10
CAS Part 4B	Credibility Theory and Loss Distributions	20

The following courses are eligible for elective credit toward ASA or FSA. Where specialty courses (Series 300) needed to complete a Fellowship specialty track are used as elective credit toward Associateship, it is necessary for the candidate to replace those elective course credits through additional courses.

Elective Courses	Description	Credits
121	Intensive Seminar on Applied Statistical Methods	10
152	Intensive Seminar on Risk Theory	10
161	Mathematics of Demography	10
165	Mathematics of Graduation	10
G320	Design and Distribution of Group Benefits	30
I340	Survey of Actuarial Practice - Individual Life Insurance and Annuities	30
I342C	Life Insurance Law and Taxation - Canada	15
I343U	Life Insurance Law and Taxation - U.S.	10
P360U	Principles of Pension Valuation I - U.S. [EA-1, Segment B]	15
P361C	Design of Retirement Programs - Canada	20
P362U	Design of Retirement Programs - U.S.	15
P363	Pension Funding Vehicles	15
P364C	Regulatory Requirements for Retirement Plans - Canada	20
P365U	Regulatory Requirements for Pension Plans - U.S. [EA-2]	25
V385	Financial Management	15
CAS Part 3B	Introduction to Property and Casualty Insurance	10
CAS Part 6	Principles of Ratemaking and Data for Ratemaking	20
CAS Part 7	Premium, Loss, and Expense Reserves Insurance Accounting, Expense Analysis, and Published Financial Information	20
Research Paper		30